EGYtrans

SILVER LININGS

Annual Report 2021

Silver Linings

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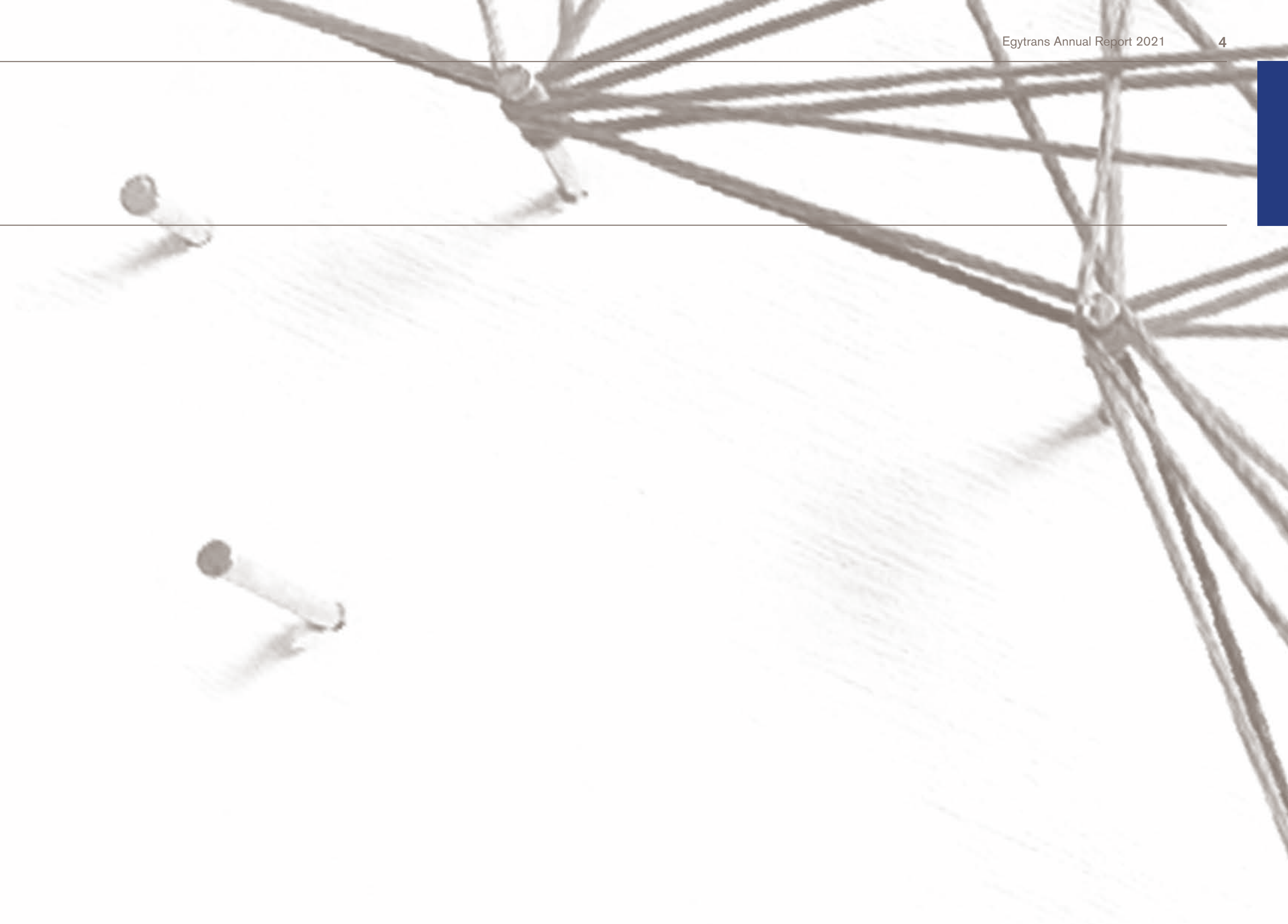
Cautionary statement

See the inside back cover of this document for the cautionary statement regarding forward-looking statements

Our business model



As a group, our operations span the value chain of transport and logistics through our three businesses with the common aim of providing integrated logistics and transport solutions. Central to our success are our people who remained resilient through a challenging year for the world by being agile and maintaining focus on our purpose and strategic long-term priorities.

Our purpose and strategy

Our purpose is to provide integrated solutions that make logistics easy, safe, timely and cost-effective to enable our customers' success by leveraging new technologies and our people's expertise. This guides all of our actions and is key to the delivery of our strategy – to bring differentiated, high-quality and needed transport and logistics services to our customers.

Our long-term priorities

Our priorities of Grow, Deliver, Simplify and Trust are underpinned by our ambition to build a more purpose and performance-driven culture, aligned to our values – innovation, learn and grow, solution-focused, integrity and building partnerships. By focusing our business around our strategic priorities, we're confident that we can fulfil our strategic intent and add value to our people, customers, investors and society.

Growing a diversified business is critical to how we improve our business and create financial value. In 2021 we launched our incubation program with the purpose of supporting new and necessary developments in our industry and integrating those with potential into our business model. In our core business, we focus on our operational performance and range of services. We leverage our expertise and deep consumer insights to create solutions that meet customer demands.

Deliver more services and solutions of value can only be realized by investing effectively in our business and our people and executing competitively. Our ability to launch new products successfully and grow sales from our existing portfolio is key to our commercial success.

Simplifying our operations and transforming the way we work by streamlining processes and structures to sharpen our focus are a necessity in today's logistics and transport industry. It will radically change our business model, giving us the capability to support a more diverse, growing business that aims to be more profitable in the long term.

Trust is also critical to our success. We are a responsible company and commit to using our expertise to address safety and environmental issues, and be a modern employer. Our public commitments support our Trust priority and cover a broad range of environmental, social and governance (ESG) aspects. The commitments are designed to help us respond to ESG challenges and opportunities within our industry and society more broadly and contribute to many of the UN Sustainable Development Goals, particularly the goal on safety.

The value we create

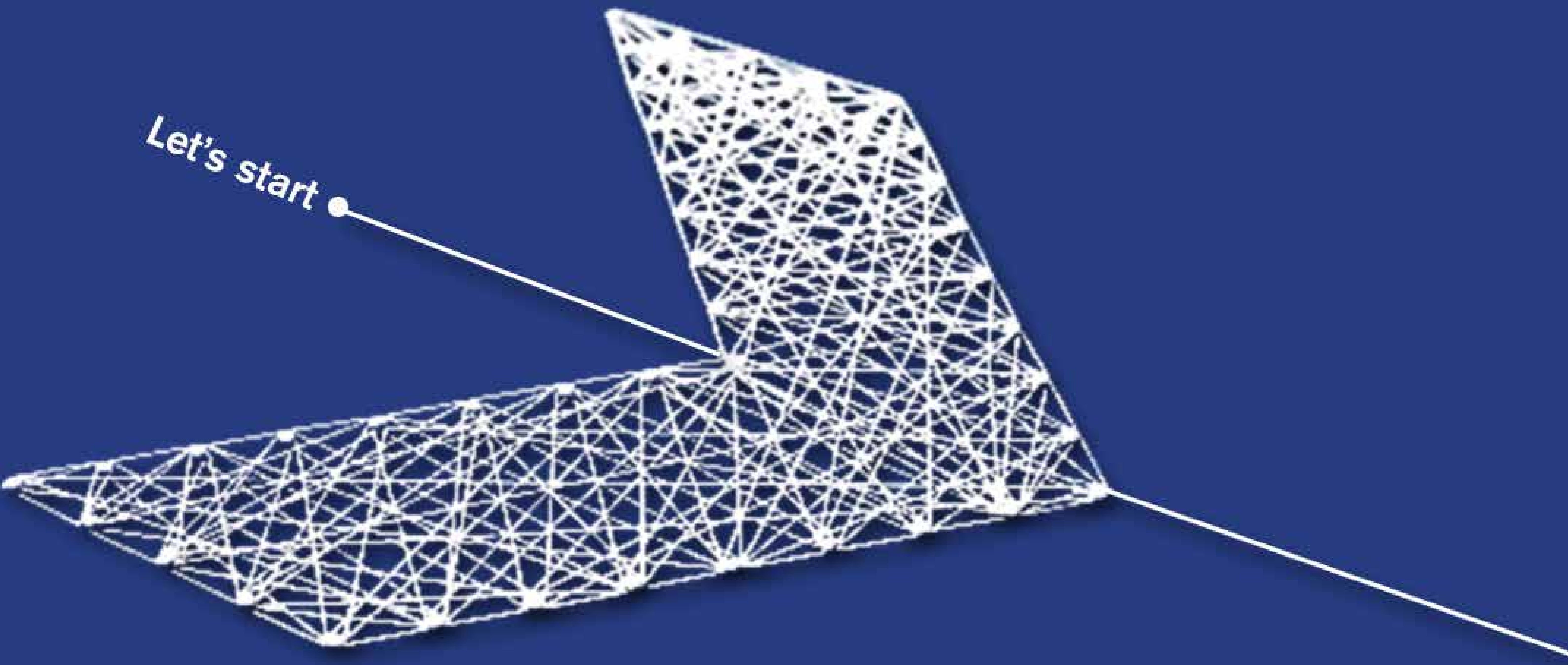
By delivering on our purpose, the greatest contribution we make is by bringing our differentiated, high quality and necessary transport and logistics services through our three businesses to our customers.

For our shareholders, as part of our capital allocation framework, we invest in our business to provide shareholder returns.

We make a positive contribution to the communities in which we operate. We employ over 300 people across the country and contribute a significant amount in taxes. We also pay a significant amount of other business and employment related taxes. We aim to be a modern employer and offer a broad range of employee benefits, including healthcare services, so that we are able to attract and retain the best people.

2021 Performance Summary

EGP 293.5 m Group Revenues	EGP 218.3 m Costs	EGP 75.2 m Group Gross Profit
25.6% Group Gross Profit Margin	EGP 22.7 m Operating profit	EGP 18.3 m Group Net Profit
6.2% Group Net Profit Margin	0.59 EGP Earnings Per Share	



THREADS OF SILVER

Amidst a year of dark clouds brought about by an unprecedented chain of events impacting the world of supply chains, Egytrans has produced an abundance of silver linings, which thread through this report. They will last long after the coronavirus leaves and create the future we all aspire to.

Chairman and CEO summary

2021 was a remarkable year for us all. The pandemic continued to dominate all aspects of life and business and Egytrans was no exception with impacts felt both operationally and among our people. Despite the challenges it was also a year of progress for Egytrans and I'm proud of the way the company has responded to support our customers while also delivering good financial performance and advancing our strategic transformation. This is a testament to the leadership team who have navigated the company through the year and ensured people across Egytrans remained focused on our purpose and delivery of performance.

Dear shareholder

In our last Annual Report, we predicted that 2021 would be a challenging year, as the compounded impact of the pandemic continued to play havoc with the world of transport and logistics. Details on our industry and outlook can be found on page 45 (A Perfect Storm). In spite of this, we were confident in the potential of the market and our ability to capture arising opportunities as a result of our business model transformation strategy designed to address the significant challenges our industry faces.

Strategy execution

I am pleased to see the continued progress made against the company's strategic goals in 2021. Strengthening our core business remains the Company's number one priority, and this continued through 2021 despite the pandemic, with operational improvements in key areas and added investment in our land transport line. A number of these improvements and investments have the potential to provide material value for Egytrans and reinforce our confidence in the direction of the company. Importantly, we are seeing evidence of significantly improved commercial capability and execution, which is beginning to drive good expansion in our key growth products.

Operational and financial performance was resilient through the year. However, increased investment in pipeline projects for future growth, and continued disruption of the projects business mask the efforts by management on revenue increase and cash generation. Egytrans will continue in its capital allocation framework focusing on investing in new business pipelines, new product launches, supply capacity and disciplined business development.

Financial performance

With supply chain costs increasing 5-fold over the pandemic and delays across the value chain, the business of logistics and transport has been negatively impacted on all levels. In particular, our project business has been strongly affected by business disruptions and increased competition. I am

particularly pleased and proud that within those conditions, Egytrans' performance has made remarkable progress with total revenues for the year 2021 reaching EGP 293.5 million, representing a significant increase of 35.8% Y-o-Y. As a result, net profits after taxes for the year increased by almost 40%, reaching EGP 18.3 million up from EGP 13 million, registering a net profit margin of 6.2% vis-a-vis a margin of 6% in 2020. This incline in Net Profits was marginally improved by our continued emphasis on growth opportunities, in addition to improved performance in 2021 in core business areas such as Logistics & Land Transportation.

Group net operating profit margin showed a slight incline from 7.5% recorded in 2020, reaching 7.7% in 2021. SG&A/revenues ratio dropped from 19% to 17.9% although we witnessed an increase in cost/revenues ratio from 73.6% in 2020 to 74.4% in 2021. The increase in cost/revenues ratio is the result of our increased marketing spend as we continued to establish a stronger customer facing function, laying the foundation for the implementation of our strategy to improve customer acquisition.

Egytrans' share outperformed the market indices during the period from mid-Jan till mid-Oct of 2021. It has started trading at EGP 10.80 in the beginning of 2021, reaching its high of EGP 19.45 throughout June and has reached its lowest point of EGP 9.71 on March.

Building trust

The importance of businesses acting responsibly is central to how an increasingly broad range of stakeholder's view companies. Building trust with all our stakeholders – in addition to delivering sustainable financial returns – is critical. The pandemic has highlighted the need for businesses to operate in a responsible way and for logistics and transport providers to ensure that supply lines continue to function. Investor interest in environmental, social and governance (ESG) issues has increased significantly over the last year. We believe in the need to transition to a net zero economy and we want to play our part in protecting and restoring the planet's health.

Our people and culture

Our people have shown remarkable dedication, agility and resilience through the year in unprecedented circumstances. This has included the hundreds of employees who have continued to work in spite of difficult circumstances. Their efforts have meant that despite the challenges, we enter 2022 with our pipeline stronger, our commercial execution sharper and our confidence higher in our ability to deliver sustainable long-term growth.

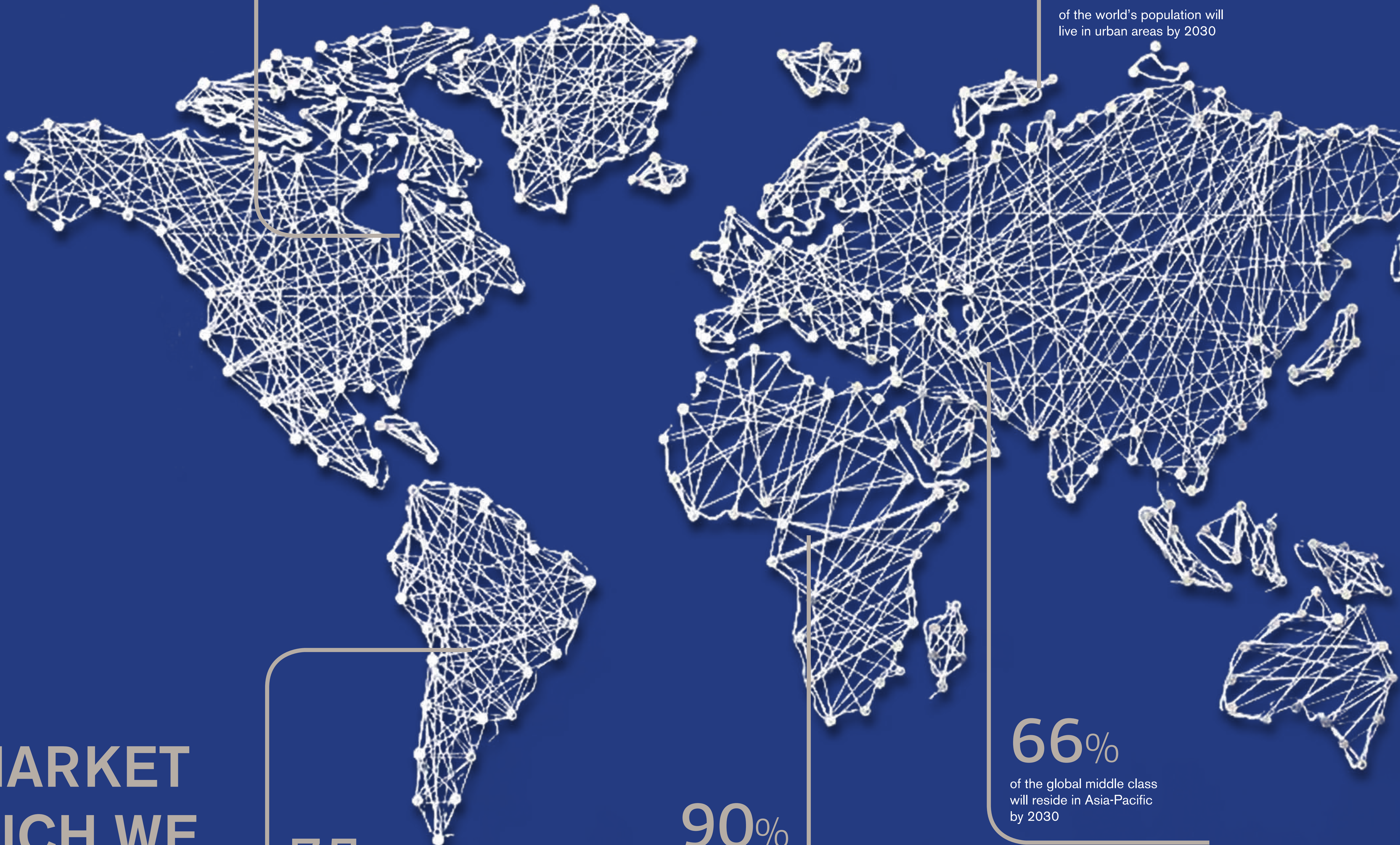
Outlook

Our outlook for 2022 aligns with the current realities with a view to ensuring business continuity while planning ahead for the future. Despite a grim near-term outlook, analysts forecast that full recovery for Egypt will be by third quarter 2022. This outlook needs to be seen within the overall context of the future of the sector. Logistics is an important factor for economic growth and governments around the world have established policies that promote its growth. In Egypt, expenditure on logistics is expected to cross USD 50 billion by 2024. Moreover, Egypt is evolving as one of the major trading countries, which creates a wide range of opportunities for logistics service providers. Government strategy aims to make the country a production and distribution hub to serve Europe and the Middle East & Africa. Additionally, Egypt Vision 2030 includes the development of the transportation infrastructure as an essential factor in economic development. All of this is expected to generate more demand for project and contract logistics.

In light of this, our priorities will be implementing the strategic directions that will enable us to meet our long-term objectives of reducing risk and delivering sustainable growth to shareholders. Finally, we would especially like to recognize the enormous contribution of our employees and our wide network of partners. Their willingness, energy and enthusiasm for change are strong foundations on which to build our new business model.

Abir Leheta
Chairman & CEO

THE MARKET IN WHICH WE OPERATE



1.4bn

By 2030, the world's population of people aged 60+ will be 1.4 billion

60%

of the world's population will live in urban areas by 2030

66%

of the global middle class will reside in Asia-Pacific by 2030

90%

of global youth resides in developing countries

75%

of the global population has access to a mobile phone

Footnotes

World Population Ageing 2019 Highlights. United Nations.
Future State 2030: The global megatrends shaping government. KPMG.

THE MARKET IN WHICH WE OPERATE

The global logistics market reached a value of US$ 4.92 Trillion in 2021. Looking forward, it is expected to reach US$ 6.55 Trillion by 2027, exhibiting a CAGR of 6.5% during 2022-2027.

With the continuously changing global supply chain, the market is expected to garner significant traction over the next few years. The market growth is also directly related to growing government initiatives to streamline logistics operations. Factors such as the rising landscape of international trades and the global economy drive market growth. Increasing advances in integrated solutions, such as security management, warehousing, information & inventory management, packaging, material handling, and transportation, also boost the market size.

The global freight forwarding market size is projected to reach US$ 207 billion by 2026, from US$ 170 billion in 2019 at a CAGR of 2.8% during 2020-2026.

Over the past two years, the pandemic has had a negative impact on the freight forwarding market in the MENA region with growth of only 6.6% below volumes in 2019 and far below the global growth of 19%, an indication that recovery is slower in those markets. On the positive side, with the reopening of markets, we expect a rebound end 2022 as prices and supply chains begin to stabilize. Key drivers of the global freight forwarding market include increasing international trade volumes and rising trade agreements between countries. Further rising demand for low-cost shipping, the ability to identify customer needs, and quick response time with logistics solutions are all expected to drive the growth of the freight forwarding market during the forecast period. Also, the high demand for integrated services will significantly boost the growth of the market in the coming year.

Demographic change

The world population continues to grow, and according to the United Nations is predicted to reach 8.5 billion by 2030. At the same time, developing countries are experiencing growth in their middle classes, and by 2030 it is expected that 60% of the world's population will be middle class. The logistics industry will also be affected by another demographic shift: two thirds of the world population will be living in cities by 2050, up from just over half at present. A large global middle class, with a compounded increase expected in Africa with increasing spending power, means increased demand for e-commerce requiring logistics providers to deliver to remote locations in emerging economies for the first time.

The political landscape

Like any industry with operations based all over the world, the logistics industry is affected by geopolitical and economic developments. The three most significant are the price of oil which is predicted to rise dramatically over the forecast period, trade harmonization and growing concern about the environment. An increase in trade-related agreements between countries is expected to further fuel the growth of the logistics market. Logistics services are becoming increasingly important for price-conscious customers who demand a larger selection of high-quality products delivered on schedule. For the shipping and air cargo sector, the challenge will be to unblock global trading networks, allowing exporters and importers to take advantage of opportunities such as those presented by cross-border e-commerce. Finally, society's deepening environmental concerns are affecting the logistics industry. Companies will have to look at ways to use greener methods of transportation, reduce their emissions and cut down on packaging waste in order to offer sustainable logistics operations.

Re-shoring and Flexibility

The pandemic has exposed the vulnerabilities of complex global supply chains built on lean manufacturing principles. This is evidenced in the supply chain difficulties faced by most industries of which the automotive sector is a prime example, where the scramble for chips has laid bare the inherent risks of inventory and single-sourcing models driven exclusively by cost control. Moreover, the impact of China's lockdown and its dominance in key areas of manufacturing have further highlighted the problem with modern supply chains. One likely consequence is that global firms will diversify their supply chains in the future, instead of relying only on China. Another will see a decentralization of manufacturing capacity, with companies looking to bring production home.

E-commerce Exponential Growth

The global e-commerce market has been growing driven by technological progress and a rising middle class with increased disposable income. The past two years have seen exponential growth for e-commerce businesses as a result of the pandemic. Since logistics plays a crucial role in the smooth functioning of online deliveries, this has provided a thrust to market growth. In line with this, easy return and refund policies offered by various e-commerce platforms have influenced the demand for reverse logistics processes with flexible services such as tracking facilities. As such the global e-commerce logistics market grew by 27.3% in 2020 and is forecast to grow by a CAGR of 8.6% to 2025. During the forecast period 2019-2025 transportation services is one of the segments that stand to gain significantly with the potential to grow at over 22%.

Sustainability and environmental regulation

The drive towards net-zero will play a significant role in the future of logistics, both in the construction of warehouses and for operators. The sustainability drive is particularly integral to future transport developments, including vehicle pollution problems. As such the logistics sector needs to tackle the question of transport in conjunction with the sustainability agenda. In the medium term, this might mean fitting abatement technology to purify emissions or upgrading transport methods to fully electric.

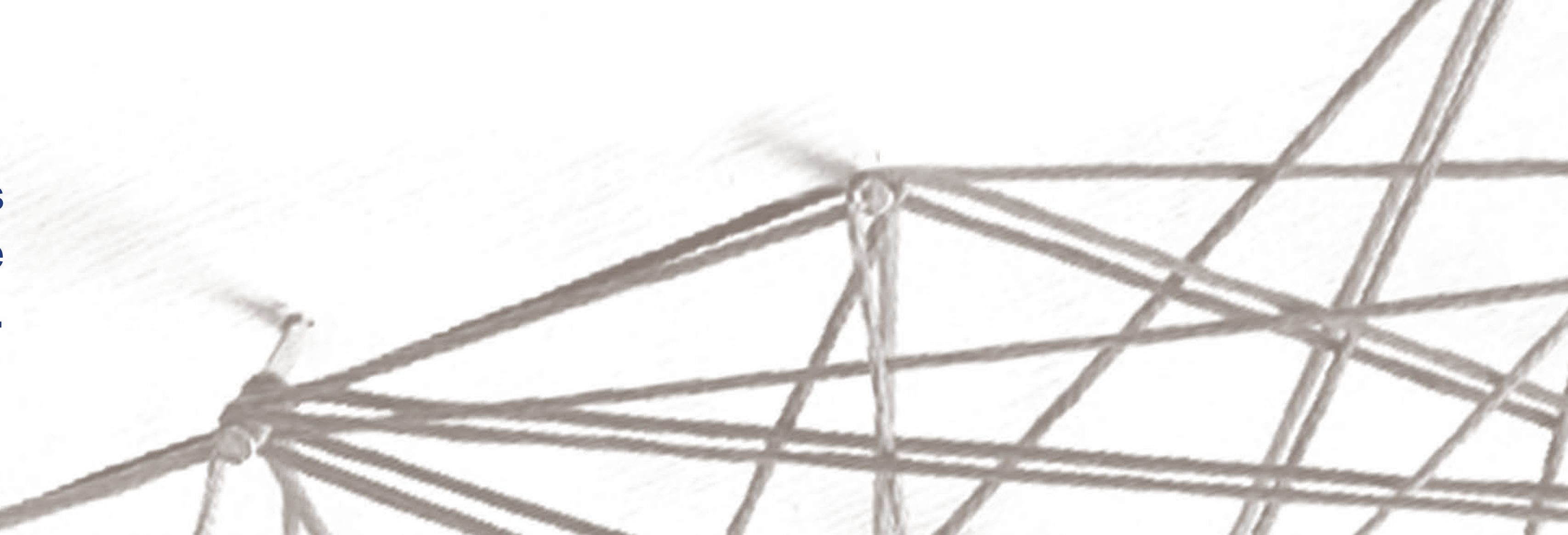
Climate change policies will also increase supply-chain risks over the next few years. The European Union is pushing aggressively for emission-reduction measures, pledging to be carbon neutral by 2050. Other countries are also prioritizing pollution reduction with a push towards tougher environmental regulation, thereby placing increased burden and cost impact on already stressed supply chains.

2021 has seen Supply Chain take center stage in the media as Logistics and Transport Companies struggled to keep goods moving amidst increasing demand.

Increasing expectations of companies

Beyond our sector-specific context, where speed, cost and flexibility are so important, society has increasing and changing expectations of companies, particularly of large companies. Stakeholders – from employees to consumers to policy makers and influencers – expect companies to behave with integrity and fairness, operate transparently, be connected to their local communities, and play their part in addressing global challenges from health epidemics to climate change. Responding to this requires strong partnership and connectivity between public and private sector.

Our strategy to create a balanced business and product portfolio positions us well for the changes in our marketplace.



OUR STRATEGY

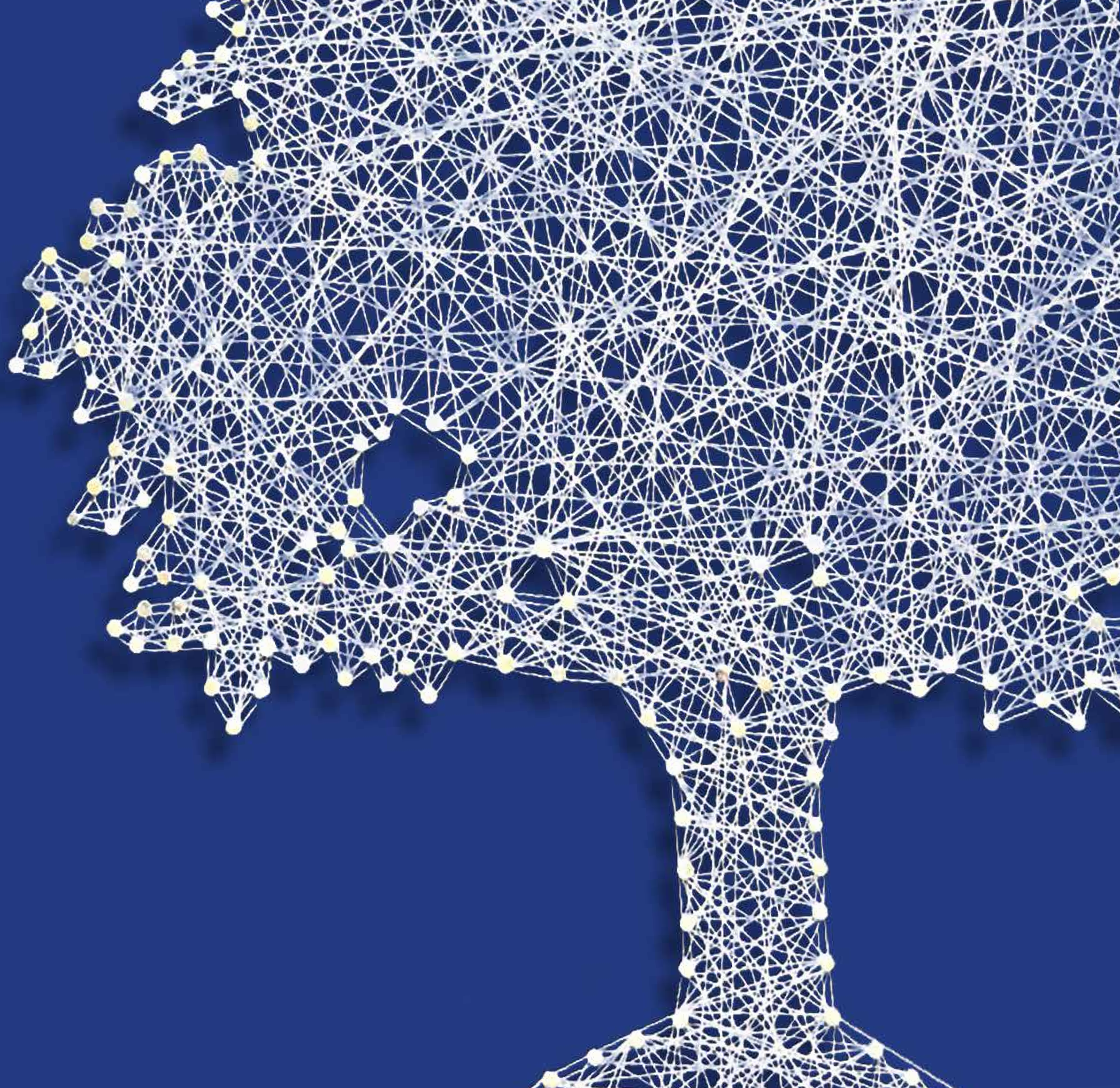
Three strategic priorities

We are addressing these challenges through three key strategic priorities which we believe will transform Egytrans into a company that delivers more growth, less risk and an improved financial performance. In 2021 Egytrans developed strategic priorities which focus on a number of key business drivers in order to meet these challenges.

Three strategic priorities:

- Grow a diversified business
- Deliver more services and solutions of value
- Simplify the operating model

We believe these priorities will enable us to navigate the coming years successfully and retain our leading edge as a company able to meet customers’ needs into the future. Over the following pages we describe our strategic responses in more detail.



GROW A DIVERSIFIED BUSINESS

GROW A DIVERSIFIED BUSINESS

We are striving to build one of the strongest portfolios in the industry. We are transforming our investment parameters to ensure that we not only deliver our current pipeline of new services and products, but are also able to sustain their operational growth for years to come. As we move towards a more diversified business, we will concentrate on developing a higher volume of business for more clearly-defined target audiences across industries and geographic boundaries. This will help develop a lower risk portfolio which is not dependent on the performance of one or two large products. Positive steps have already been taken, with studies underway and assessment of several possible opportunities.

Our plans

Focus on diversification

During the year we rebalanced our organization to improve efficiency and focus on the areas that we believe are most likely to lead to new business. This includes evaluation of potential partnerships that can bolster our current portfolio of services or new ventures that add value to our activities. In our core business we are now focused on diversification in a number of new service areas is that are needed in the market. Areas of interest include rail & river transport and warehousing.

Expand our business in neighboring markets

During the past decade, globalization and technology have created new opportunities for internationalization, boosting the supply chains and competitiveness in Africa which, as a developing continent, offers unexploited opportunities for corporations that wish to venture into virgin markets. While Africa suffers from poor logistics and transport infrastructure, several things support a movement of Egytrans services in a phased approach into Africa. A burgeoning middle class, increased infrastructure spending, the current implementation of the Alexandria-Cape Town Road and the recent African Trade Agreement ensure there are potential opportunities that are currently being evaluated.

Diversify through externalization

Over the past years we have proactively expanded collaborations with external partners to access innovation and strengthen our product offerings. We recognize the benefit derived from leveraging our capacity while driving development through partnerships thereby capturing new technologies that have the potential to synergize with our business and drive future development. To that end, Egytrans has launched the startup incubator program, Logivators, with the two-pronged objective of supporting potential entrepreneurs and seeking new approaches to our business and potentially incorporating candidates for partnership opportunities with promising logistics startups that can enhance our business offering and provide us with competitive advantage in our industry.

Focus on return on investment

We have adopted a more disciplined approach to how and where we allocate resources in our pilot projects and new investments. We realize that return is the key to long-term financial performance and we are working hard to bring an outcome focus which will in turn deliver greater value to our shareholders. We understand that success is beyond numbers and must be built on an improved understanding of the perceived benefit and value of new products.

BRINGING VALUE BEYOND CAPITAL BY EMPOWERING THE AGENTS OF CHANGE

The Agents of Change

The first group of Logivators to participate in our incubator. They represent startups that tackle fundamental and complex challenges in trade, logistics and supply chains. Together with our portfolio of entrepreneurs and innovators, we pursue a shared goal of creating a more dynamic, inclusive and sustainable future of trade.

Logivators, Egytrans' venture initiative, was launched in 2021, with a clear mission to support the development of supply chains by backing new business models and technologies. With the aim to unlock growth, we invest in and partner with promising start-ups and visionary innovators - and by injecting our own expertise, we activate our portfolio companies' full strategic potential. With a clear vision ahead, our Transport & Logistics Incubator focuses on innovative ideas that create new and improved products and services. And through the program, startups can access supply chain expertise, logistics networks and potential investors as well as sharing knowledge and resources with partners.

As a strategic investor, we can provide funding for startups working in the transport and logistics space – but our effort doesn't stop there. We augment every pound we invest with our expertise and global reach. In addition, by mobilizing dedicated Egytrans resources, we empower startups to build synergies that sharpen their competitive edge. We recognize that investing into and partnering with digital start-ups will not, by itself, transform the legacy business of a transport and logistics company, but it can provide access to capabilities and talent to create new digital business pathways. The start-up approach of disrupting existing supply chains and upgrading the efficiency and transparency of transport businesses through the application of new tools and technologies complements our established capabilities.

As such, we support thinkers and doers who focus on global challenges, and by investing in them, we fast-track the adoption of smart logistics technologies, address supply chain inefficiencies, and create a more sustainable transport and logistics sector.

Where we invest

We drive transformation in the trade and logistics industry by unlocking the potential of promising startups in three critical areas:

Smart logistics

The future of logistics is digital, flexible, transparent and convenient. We invest in ventures that deploy new technologies and business models to enhance the flow of goods.

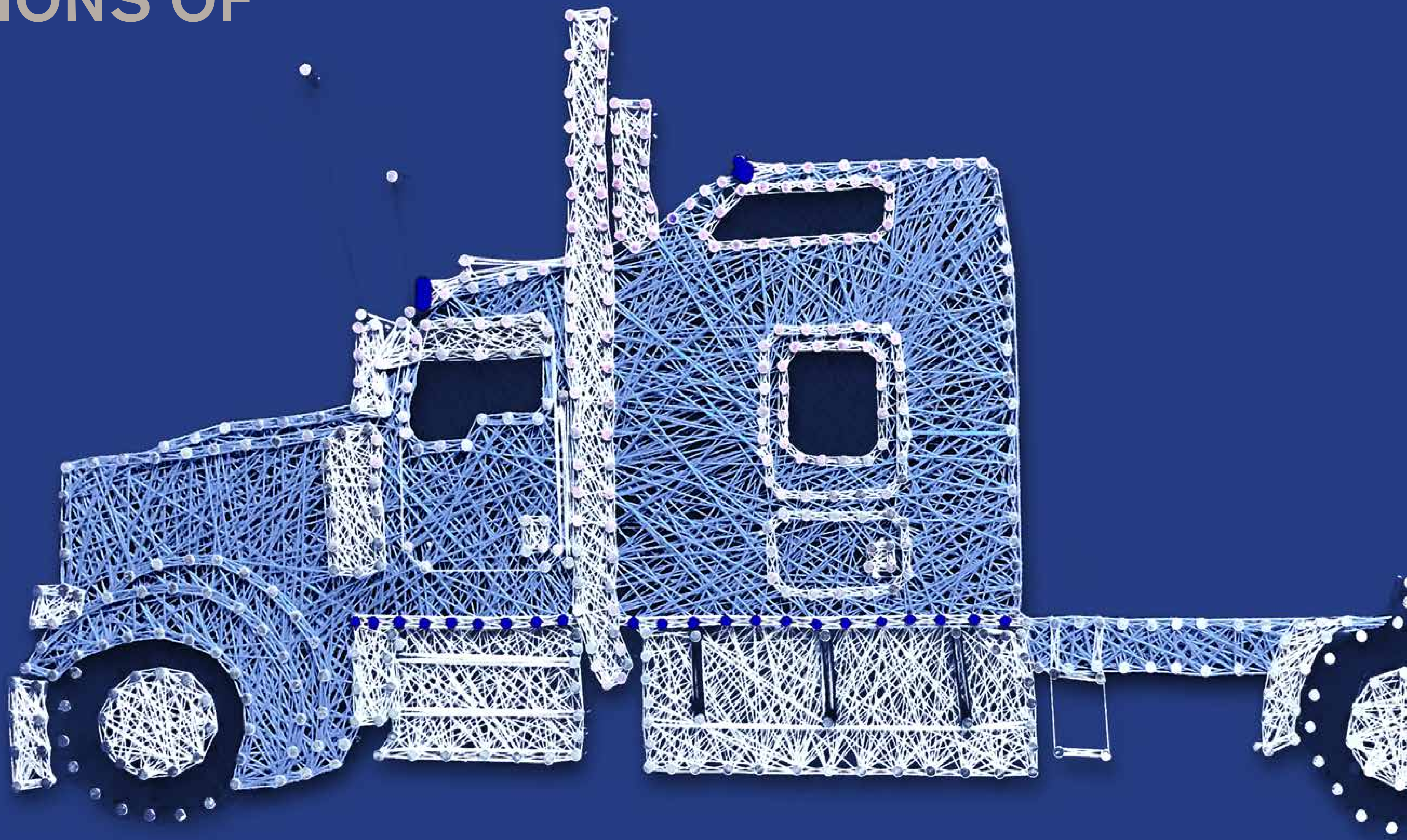
Enabled trade

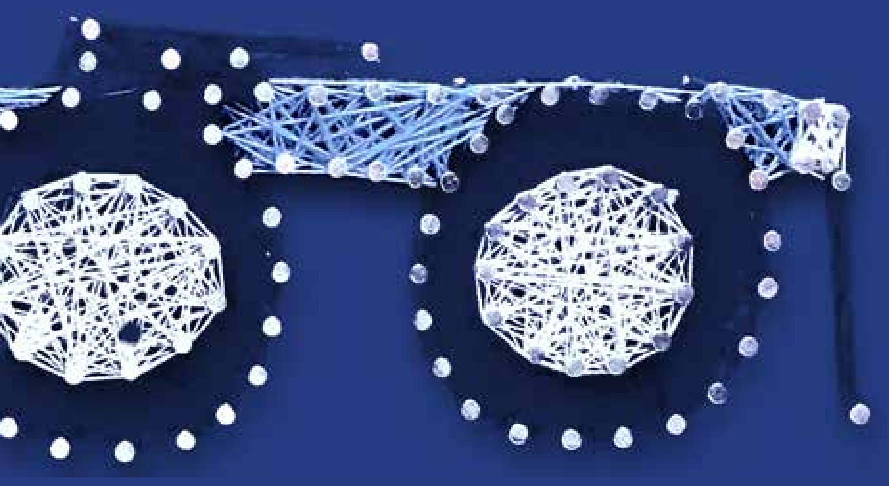
Smaller enterprises are disadvantaged by complexity in the supply chain and lack of information, visibility and financing. We invest in ventures that are eliminating these barriers by simplifying and improving access to trade.

Sustainable Supply Chain

Sustainability is a global aspiration and logistics has a key role to play in addressing environmental and societal challenges. We look to invest in ventures that increase sustainability by reducing emissions and waste across the supply chain.

DELIVER MORE SERVICES AND SOLUTIONS OF VALUE





DELIVER MORE SERVICES AND SOLUTIONS OF VALUE

In today's volatile market, our customers' successes are dependent on a robust supply chain that is able to provide a framework to manage their goods effectively. Our experience spans a large range of industries enabling us to deliver customized solutions to our customers and ensuring their competitiveness. Our capability is developing, with our core focus placed on divisional expertise, digital interfaces and a global distribution framework, ensuring a fully integrated supply chain offering to our customers.

To navigate the coming years successfully and retain our leading edge as a company able to meet customers' needs into the future we will continue to build upon that capability and drive growth through key areas of opportunity which have been identified. In doing so we are reducing risk by broadening and balancing our portfolio to align with the needs of the customer of today.

Our plans

Drive growth in our core markets

Our core Egytrans business portfolio continues to drive growth through a powerful selection of offerings which remain central to our business. To build upon that capability and drive core growth, key areas of opportunity have been identified. In that regard, Egytrans has the potential to add considerably to its existing customer base by targeting large and medium-sized customers in the same industries and increasing market share in key services, particularly LCL and export. In addition, we have initiated a major change program, refocusing marketing to demonstrate value and introducing new product offerings which focus on volume opportunities.

Expand customer base

As both a defense and growth strategy, and to balance the risk of volatility in any sector, Egytrans needs to diversify the sectors it serves. Our strengths place us in an ideal position to do so after studying the needs and competitive landscape of each sector. Key sectors for new potential business opportunities have been identified and can be captured by optimizing business processes, building better relationships with business partners and strengthening sales and marketing. To this end we have over 2021 revamped our commercial activities beginning with new websites for Egytrans and Egytrans IR along with completely revamped presence on social media. This along with a reorganization of our commercial capability through the addition of sales team members has begun to lead to both vertical and horizontal expansion as we increase services to existing clients along with new clients and in new industries.

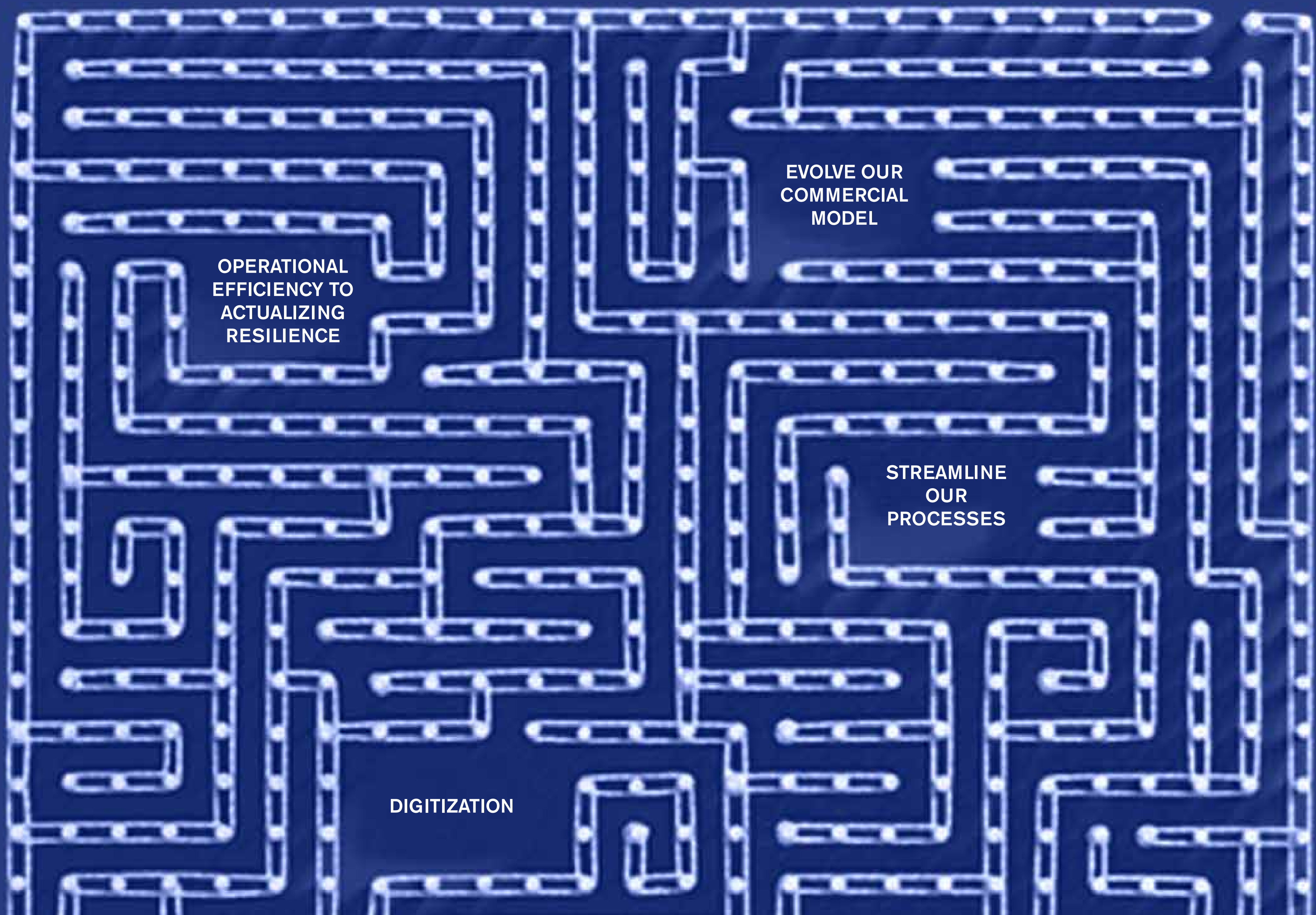
Deliver our ambitious Land Transport forecast

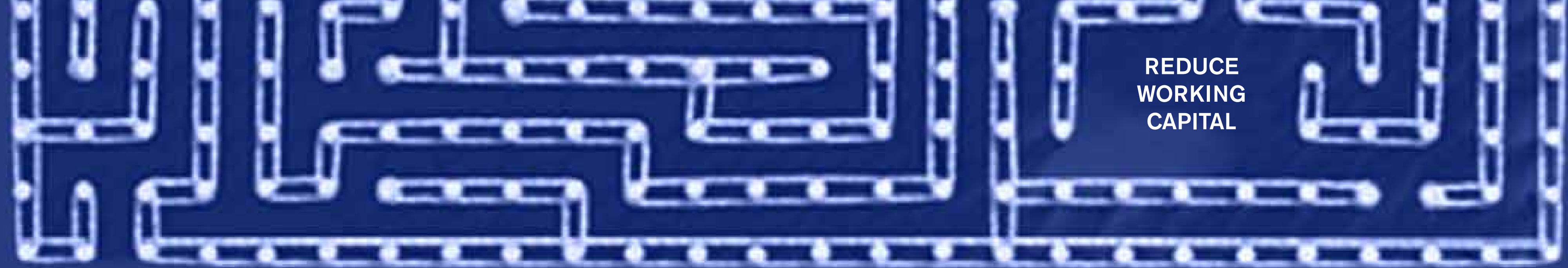
We are targeting sustained growth in our land transport capability, by increasing our customer base and working to expand our fleet. Over the past years we have been increasingly focused on fortifying our land transport capability through a phased expansion of our fleet capacity. In addition, we have worked on establishing partnerships that will provide us with flexibility to meet capacity requirements through outsourcing. Our proven capability and strong pipeline mean that this is expected to be a source of future growth for Egytrans.

Growing Warehousing capacity

The warehousing sector in Logistics has seen an exponential rise during the pandemic, a trend that is expected to continue. Likewise, Egytrans Free Zone has seen considerable growth during this period. In 2021, Egytrans took the decision to prepare for moving its used car warehousing operations from Port Said Free Zone to the Suez Canal Economic Zone. The new auto warehousing facility, which will occupy a space of over 10000 m2, will allow Egytrans to expand capacity of its current Free Zone operations to capture new business opportunities, enabling it to use its current Free Zone facilities in other activities in the future. The Suez Canal Economic Zone benefits from a number of initiatives the government has undertaken to create a competitive free zone area. Most importantly, increased investment in infrastructure allowing easy access and movement of products in addition to being in close proximity to the New Administrative Capital.

SIMPLIFY THE OPERATING MODEL





SIMPLIFY THE OPERATING MODEL

Egytrans is a complex organization. We recognize that we need to simplify our operating model further, transforming the way we work, streamlining processes and structures to sharpen our focus and accelerate progress towards our mission. Our restructuring program is a vital catalyst for our strategy. We believe it will radically change our business model, giving us the capability to support a more diverse, growing business that aims to be more profitable in the long-term.

Our plans

Operational Efficiency to Actualizing Resilience

To build supply chains that are more aligned and responsive to business strategy while delivering in the face of shocks requires measures beyond digital solutions, encompassing a reassessment of our business operating system in the context of volatility, uncertainty, complexity, and ambiguity. This means readdressing Performance management to introduce metrics used to measure resilience, and balance them with typical cost and growth metrics. Governance and process require the implementation of stress tests in concert with the annual strategic-planning process to assess changing factors in the world and whether they will create fragility in the supply chain. New tools and capability building will necessitate the buildup of cross-functional understanding of end-to-end business dynamics, including functional best practices, and provide access to the tools needed to perform to new expectations. The success of this is dependent on the understanding of all our stakeholders on the importance of building resilience.

Evolve our commercial model

We have reorganized so that we now have a single commercial support structure for our business. As part of the radical restructuring process, we have set in process a number of key initiatives that will support the marketing of our business. Moreover, we have established our primary and secondary market focuses based on a reassessment of the potential market opportunities based on market shifts and demographics over time.

Digitization

The pandemic has restructured operations in a manner which has made the incorporation of different technologies a necessity in order to survive in the current market where adoption at scale has become mandatory. Of particular significance are two immediate concerns. Within an environment that is overridingly paper-based within the logistics world, the adoption of blockchain as a possible mechanism to automate freight documentation within the new world order is something that we are watching closely. In addition, to facilitate a more resilient supply chain, increasingly supply chain visibility and its accompanying technologies are relevant to the cost-effective and efficient performance of the company.

Streamline our processes

We are simplifying our organization to speed up decision-making and improve alignment to our business priorities. There are many different programs and initiatives across Egytrans including a comprehensive program to simplify and reduce costs. We have integrated different IT solutions which will produce financial savings, improve productivity and enhance collaboration internally and with our external partners. We are striving to ensure that cross-business processes and structures are simpler and more efficient. For example, Egytrans is one of the few companies that have successfully implemented and integrated with the electronic tax invoice system far ahead of the January 1st, 2022 deadline, allowing us to provide support to customers enabling them to comply with it smoothly.

Reduce working capital

We will continue our focus on cost containment measures to ensure a leaner and more stable organization. With the onset of the pandemic those initiatives took increased priority and we started a program which has successfully delivered improvements.

How we manage risk

Our principal risks are regularly reviewed by the Corporate Executive Team. Below we list the principal risks managed across the Group in 2021, including our assessment of any change in the risk during the year due to macro events or mitigating Egytrans activities.

Arrows key

↑ Increased risk → No change to risk ↓ Decreased risk

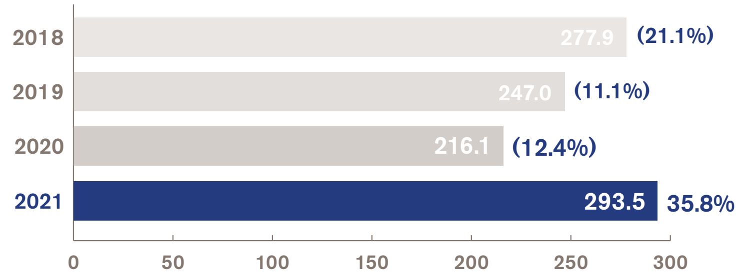
Risk description	Assessment and mitigating activities	Macro Environment	Egytrans exposure
Service quality Failure to comply with current Good Practices or inadequate controls and governance of quality in the supply chain covering Egytrans' ability to meet customer needs as well as regulatory and corporate requirements.	— The macro risk level remained unchanged, with continuing industry-level regulatory scrutiny and an expectation of timely communication of issues with authorities. — Egytrans' exposure level remained unchanged. The risk has been maintained at an appropriate level through our effective response to inspections and continuous improvement in our quality management system.	→	→
Financial controls & reporting Failure to comply with current tax law or incurring significant losses due to treasury activities; failure to report accurate financial information in compliance with accounting standards and applicable legislation.	— The macro risk level remained unchanged, due to no material increase in financial reporting requirements. — Egytrans' exposure level reduced due to our strong risk management and governance approach and further embedding of system changes, controls standardization and process simplification.	→	↓
Anti-bribery & corruption (ABAC) Failure of Egytrans employees, complementary workers and third parties to comply with our ABAC principles and standards, as well as with all applicable legislation.	— The macro risk level remained unchanged due to no material increase in requirements — Egytrans' exposure level remained unchanged as we enhanced our use of data to better inform business decisions, strengthen our management of ABAC risk in our third-party network and introduced an improved ABAC standard further clarifying our stance on expected behaviors.	→	→
Third party oversight (TPO) Failure to maintain adequate governance and oversight over third-party relationships and failure of third parties to meet their contractual, regulatory, confidentiality or other obligations.	— The macro environment has remained unchanged as the industry continues to be vigilant about third-party risks in sourcing and supply, and consumer and investor expectations mature. — Egytrans' exposure level remained unchanged as we enhanced our use of data to better assess risks of our third parties with whom we directly engage. Our in-place process and procedures enable us to identify and manage risks consistently and proportionately.	→	→
Environment, health & safety and sustainability (EHS&S) Failure to manage environment, health and safety and sustainability risks in line with our objectives and policies and with relevant laws and regulations.	— The macro risk level remained unchanged due to no material increase in requirements — Egytrans' exposure level remained unchanged due to continued execution of our strategy and our strengthening of EHS&S controls.	→	→

Risk description	Assessment and mitigating activities	Macro environment	Egytrans exposure
Supply chain & crisis management Failure to deliver a continuous supply of services; inability to respond effectively to a crisis incident in a timely manner to recover and sustain critical operations.	— The macro risk level remained unchanged with ongoing stringent regulation and a continued unstable working environment — Egytrans' exposure level reduced due to improved risk management of our supplier portfolio and improvements to our crisis and continuity management framework.	↑	↓
Safety Failure to appropriately collect, review, follow up, or report adverse events from all potential sources, and to act on any relevant findings in a timely manner.	— The macro environment remained unchanged, with safety regulation and Good Practices remaining consistent. — Egytrans' exposure level remained unchanged. The risk has been maintained at an appropriate level through continued strong oversight. Road risk is inherent in the Transport business and Egytrans has made road safety a priority. Prevention has the highest priority and the safety policy recognizes human awareness as one of the highest risk factors. A great deal of energy is spent on training staff about safety awareness and skills by further developing our capabilities to detect safety issues, and by making key safety processes and standards simpler and more effective.	→	→
Interest rate risk Failure to manage potential impact of financial risks on the results and financial position in line with our objectives.	— The macro environment is in flux with interest rates currently fluctuating at a high level. — Egytrans has limited financing arrangements that could be impacted by interest rate fluctuations. Therefore, Egytrans' exposure level remained unchanged. The interest rate risk to Egytrans is limited as the policy is to maintain a balance between the share of its fixed rate and variable rate debt limiting the risks from any future rate rise. The potential impact of financial risks on the result and financial position is considered to be low.	↑	→
Fuel prices Failure to manage potential impact of financial risks on the result and financial position in line with our objectives.	— The macro environment is in flux with fuel prices set to increase within the overall economic reform program. — Fuel costs are a major component of the transport costs. Egytrans' exposure level remained unchanged with expected increase of fuel prices incorporated into our planning. Egytrans also applies fuel clauses in most of its sales agreements that transfer fuel cost fluctuations to customers with a minimum of delay.	↑	→
People and talent risk Inability to attract, retain and develop the right people to maintain shared beliefs and common culture that supports Egytrans business strategy.	— The macro environment remained unchanged. — Egytrans' exposure level remained unchanged. The risk has been maintained at an appropriate level through continued focus on our human resource capability. Structured performance and talent management program for employee development and succession planning along with long-term sustainable incentive compensation packages to retain and attract the right talent in addition to continued monitoring of turnover statistics.	→	→

Our numbers at a glance

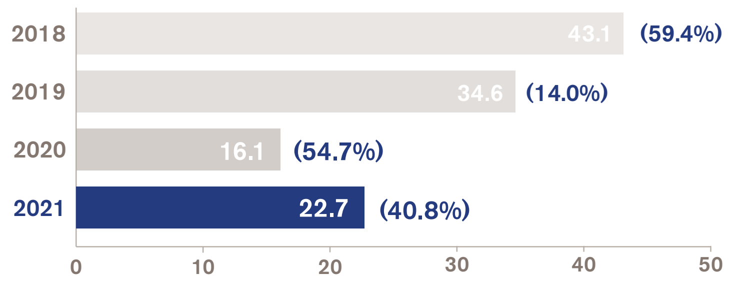
Group Revenues

EGP **293.5** m



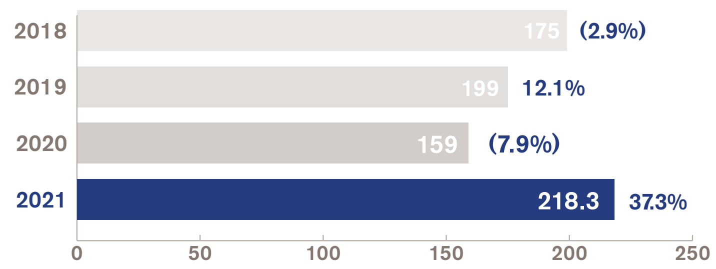
Operating profit & margin

EGP **22.7** m



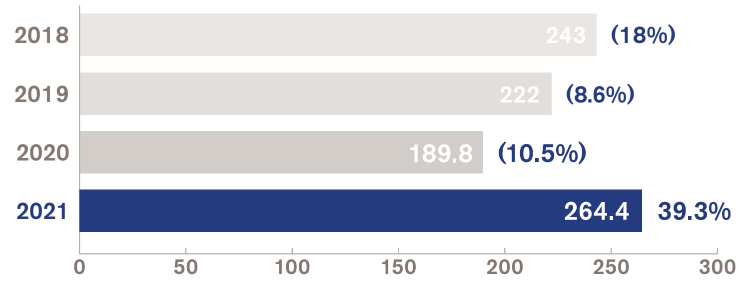
Costs

EGP **218.3** m



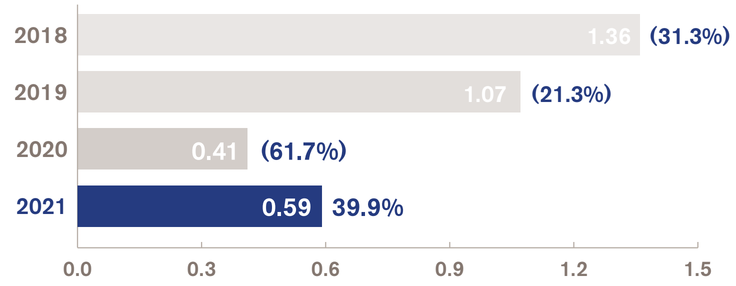
Core business line

EGP **264.4** m



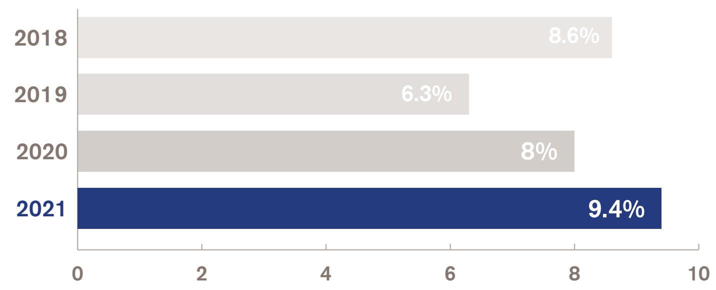
Earnings per share

EGP **0.59**



Employee turnover

9.4%



Employees

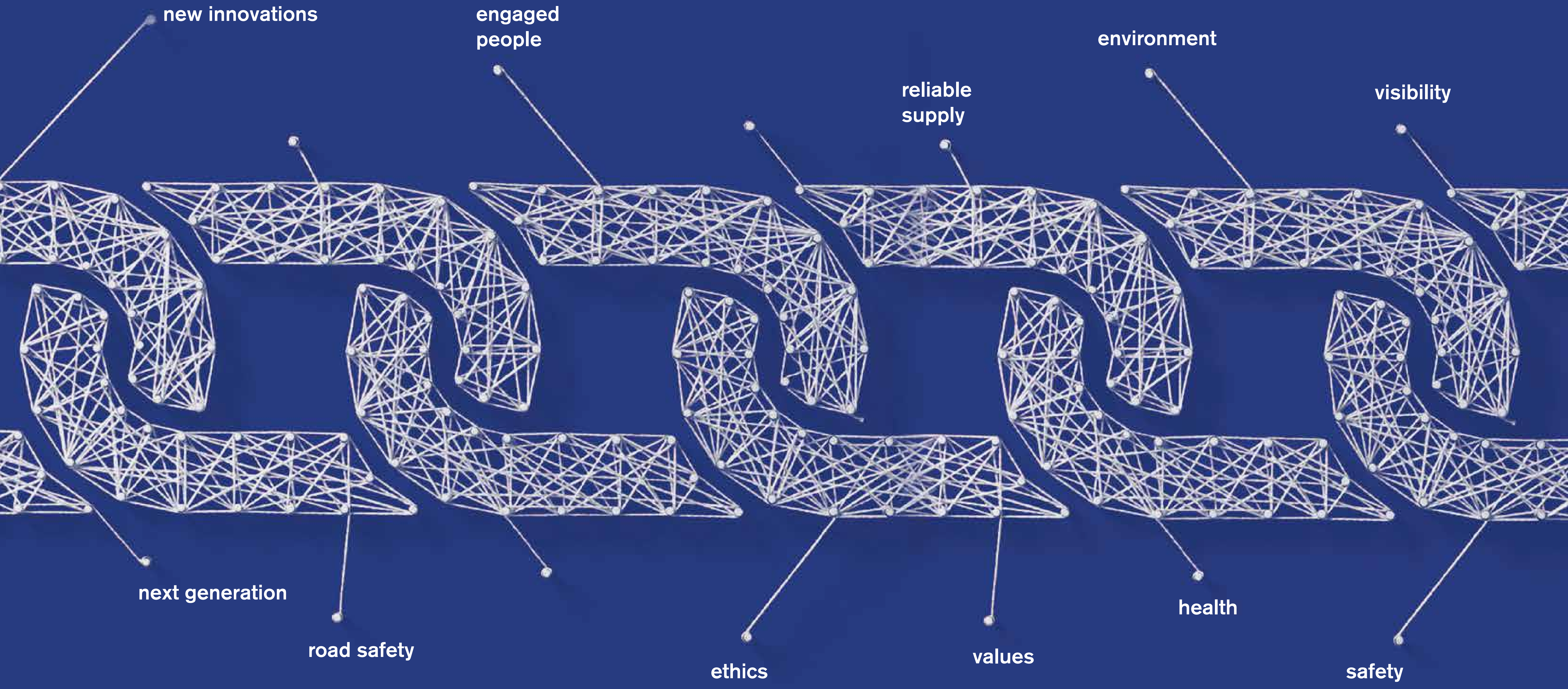
370

Customer satisfaction

90%

Cash tax paid

EGP **6.5** m



Maximizing our social impact, ensuring the reliable delivery of high-quality services to our customers, and attracting and retaining highly engaged employees.

TRUST

The Path to Trust

Society has high expectations of businesses, with people rightly expecting companies to behave responsibly and contribute to tackling societal challenges. Operating responsibly brings direct benefits to society but also creates value for our shareholders. It supports our ability to attract and retain talent, manage costs and build trust with our stakeholders.

The 10 commitments detailed below support our Trust priority to drive progress in the key areas where we can make a significant impact, and ensure that we are running our business in a responsible way.

These commitments seek to address the most material topics relevant to our stakeholders and to our business, and are designed to help us respond to challenges and opportunities within our industry and society more broadly. They contribute to many of the UN Sustainable Development Goals (SDGs).

Our Corporate Responsibility forms an important part of the Board's oversight of our Trust priority. The Board provides ongoing scrutiny on progress against our commitments and how the company is addressing the evolving views and expectations of our broad range of stakeholders.

Our purpose is to become a reference player in the market			
Using technology to address transport and logistics needs	**Using our expertise and knowhow to address industry concerns**		**Being a modern employer**
New innovations Develop differentiated, high-quality and needed services for the market. **Next generation** Support next generation entrepreneurship using our capabilities and knowhow.	**Road safety** Work with industry players to ensure greater road safety and continue to drive internal safety standards. **Visibility** Improve visibility of our supply chain, integrate customer-facing solutions and promote safety and health for all.		**Engaged people** Achieve and maintain a competitive employee engagement score by 2023. **Inclusion and diversity** Accelerate our progress on inclusion and diversity, aiming for 30% female representation in senior roles by 2025.
Being a responsible business			
Reliable supply Commit to quality, safety and reliable supply of our services for customers.	**Ethics and values** Operate an ethical, values-driven culture, in which any issues are responded to swiftly and transparently.	**Health and safety** Ensure responsible and safe operations.	**Environment** Reduce our environmental impact by 2030.

Modern employer

A positive employee experience is critical to attract, retain and motivate the best people. We want our employees to be empowered, happy and keep growing. As a modern employer, we believe that a strong employee experience I is not only important in supporting personal growth but is also good business It is with this sentiment that we launched our modern employer ambition in 2018, focusing on inclusion and diversity, health and wellbeing and employee development.

Modern employer

Engaged people

Our commitment is to achieve and maintain a competitive employee engagement score by 2023. Employee engagement is an important barometer to gauge how our people feel about working at Egytrans. We survey our employees to get feedback about how we are doing on our Trust and Culture long-term priorities. Over the last period we have achieved a gradually improving employee engagement score and our objective is to maintain a competitive employee engagement score.

Senior leaders across Egytrans are playing a pivotal role in engaging our people behind our strategy, deepening their understanding of our strategy and priorities and developing effective tools to inspire their teams, thereby ensuring not only company-wide awareness of vision and strategy but also awareness of their role in achieving that overall company strategy. Our strategic success relies on our ability to engage employees behind Egytrans' long-term priorities.

Health and wellbeing

Egytrans' Executive Team has overseen our COVID-19 response, including the health, wellbeing, and engagement of our employees as a primary focus. In support of this, we have developed a strong health and safety framework aligned to site-specific needs, specific role types or certain activities. During 2021, we continued to monitor confirmed COVID-19 cases and recoveries in our workforce on a daily basis. We developed minimum standards for returning to the workplace, and provided clear expectations on the wearing of personal protective equipment, employee testing and temperature-screening to make the workplace as safe as possible, enabling more employees to return to sites.

We need resilient, motivated people with the right skills and knowledge to help us achieve our objectives. That is why we aim to be a leading company in how we support employee health and wellbeing. We are committed to providing health programs and services to help our people lead healthy lives. Accordingly, we continuously reassess our health insurance coverage, policy and facilities, seeking to provide our employees with the best quality healthcare.

Building Capability

We want our people to keep developing throughout their career. Every employee has the opportunity to discuss and agree a development plan with their manager. At Egytrans we are also mindful of nurturing the best talent and building our capability for the future. Opportunities and platforms are provided to enhance skills and knowledge and develop leadership. This is especially significant to our organization as we prepare to go into the future. We are mindful that intensive investment will be needed to prepare our employees for a digital future. We also focus on building capability to support the new commercial operating model requiring training of personnel and new employees. We want our people to take initiative and be the drivers in their personal growth at every stage of their career. To that end, along with a structured mentoring and development program, we continuously provide further development opportunities with customized training programs for our employees.

Inclusion and diversity

Our commitment is to accelerate our progress on Inclusion and Diversity including aspirational targets for female representation in senior roles by end 2025. At the heart of our I&D agenda lies our fundamental commitment to equity in our employment practices. We believe that Inclusion and Diversity (I&D) leads to business success by unleashing the enormous potential of all our people and strengthening our ability to respond to the differing needs of our stakeholders.

The percentage of women in management and the C-suite at Egytrans is far above the industry average of 10% with 33% female representation on the board of Egytrans. At the management and supervisory level, we are particularly pleased to report that 25% percent of women are engaged in leading roles in the organization. Our goal as a company is to promote the role of women in Logistics and Transport, to enable their career development, and to participate in providing a support network for women in the sector.

Our work toward this goal is concentrated into three key areas: Leadership, Mentorship and Empowerment. These stem from our belief that the first danger for women is trying to blend in a male-dominated environment. It is dangerous because we want to benefit from diversity. We want women to bring ideas and perspectives that otherwise would not form a part of the conversation and to emphasize topics that might otherwise be not raised. We understand that to achieve that there must be more women in senior positions, and these women, along with our male champions, should in turn mentor other women, to make sure that they create that sense of confidence for younger women to step up and take their place. Within these areas, we can work to bring change to our industry and the wider economy.

Yomna Adel Ali

Yomna Adel Ali
Director of Human Resources and Administration

Ethical conduct and environmental sustainability

For us, sustainability is the way we carry out our core activities as a logistics service provider. We are aware of the social and environmental impact of our activities and take our social responsibility seriously by running our business not only from an economic starting point, but also including social and environmental aspects in the decision-making process.

Safety First

We are in a unique position to understand and deal with the importance of raising public awareness of road safety and we believe we are uniquely qualified to add value in this critical area. Our core focus to date has been internal. Egytrans employees are continuously trained and monitored on the best and safest driving practices along with safety protocols, proper lane-changing and minimum distance between driving vehicles among many other things. Armed with this expertise we are confident that we can contribute to our community through greater awareness and dialogue. Our focus in the short-term going forward is to evaluate the situation and reach out to different parties to seek to find how we can contribute best to promoting road safety in Egypt.

Our commitment towards safety begins with our employees. Our professional drivers are required to attain the Driver Certificate of Professional Competence diploma (CPC), as part of Egytrans' deep commitment to professional service, safety and protecting the environment. Obtaining Driver CPC certification ensures safer and better driving, which in turn reduces the increasingly high number of road-related accidents that occur every year. It is also gratifying to know that it can also help reduce carbon emissions by 9.5%, an added benefit on our Road to Zero. We believe that when drivers have the necessary qualifications and training to understand how the vehicle they drive works and how to drive it more efficiently, everyone wins.

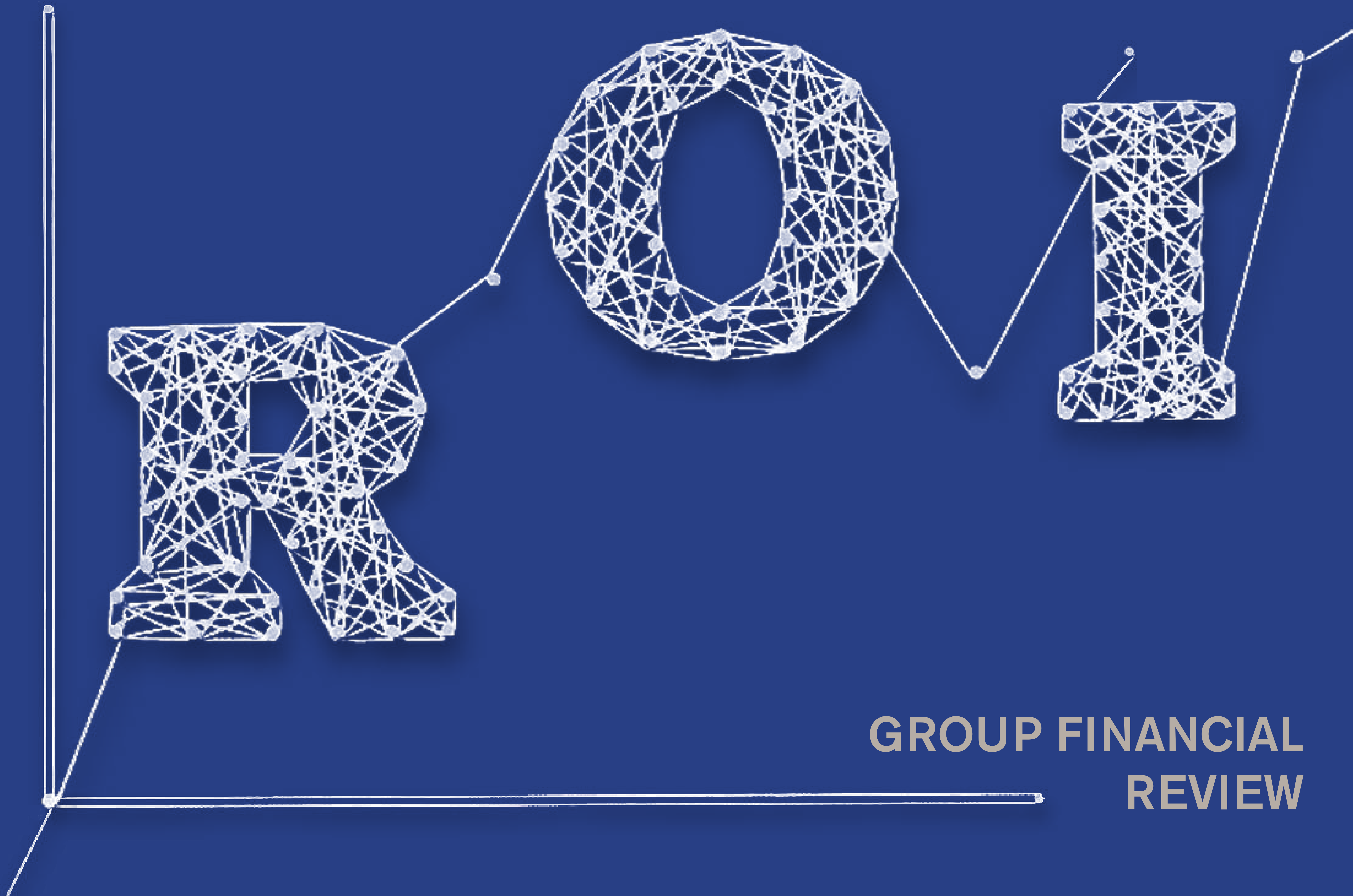
Ethical conduct

We strive to build a values-based culture by training our people on the standards we expect, encouraging the reporting of any concerns and acting swiftly and transparently when issues occur.

We provide regular coaching on our values and Code of Conduct to help employees manage ethical dilemmas and put our values into practice at work.

Human rights

We are a signatory to the UN Global Compact and we are committed to upholding the Universal Declaration of Human Rights and the core labor standards set out by the International Labor Organization (ILO). We continue to monitor existing suppliers and screen new suppliers within those guidelines.



GROUP FINANCIAL REVIEW

Passing key milestones and looking ahead

I am pleased to report on the financial performance of Egytrans. Despite the challenges we've all faced during the pandemic, we have continued our transformation process with a continued focus on financial instruments management and the generation of operational efficiencies. We are happy to report that we continue to make progress in that direction which is outlined in the below report.

Financial Performance

We are pleased to report that Egytrans' consolidated top line significantly increased by 36% vs. 2020 exceeding our budget plans for 2021 by almost 13%, driven by improved operational and marketing capability. Profitability improved tremendously in 2021 with consolidated net profits increasing 40%. This was primarily due to the following factors:

- 2021 saw a measurable rebound of 50% YoY in project logistics operations from 2020 when project logistics operations nearly came to a standstill.
- 2021 saw improved performance in most of Egytrans with operation revenues increasing by 13%, sales revenues by 53% and freezone by 86%.
- Egytrans standalone's revenue from its regular business increased 39% and a corresponding increase in gross profit of 69%- a promising result given the circumstances in which we had to operate in 2021.
- Improved performance in EDS with an increase of 7% in gross profit compared to 2020.
- Non-recurring items including provisions in 2021 totaling over 6 million EGP.

Operational Efficiency

We are pleased to report that Egytrans' consolidated top line significantly increased by 36% vs. 2020 exceeding our budget plans for 2021 by almost 13%, driven by improved operational and marketing capability. Profitability improved tremendously in 2021 with consolidated net profits increasing 40%. This was primarily due to the following factors:

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- Non-recurring items including provisions in 2021 totaling over 6 million EGP.

Our approach to tax

We continue to work to align with our strategic imperative to Simplify, including a continued restructuring of the Finance function to achieve leaner and more efficient operations. Our main goal going forward is to facilitate the company's strategic vision for vertical and horizontal expansion. As such we focused on developing the capability that would provide quality analysis to support decision-making for the executive management and the board. We also developed our decision support system by establishing a planning department that provides periodic reports allowing for improved and faster decision-making capability.

Since the accounting function acts as the foundation in producing the company's financial figures, we have made further improvements through the incorporation of the new Egyptian accounting standards no. 47, 48, & 49 in compliance with new regulations and standards.

Our approach to tax

We understand our responsibility to pay an appropriate amount of tax and fully support efforts to ensure that companies are transparent about how their tax affairs are managed. Tax is an important element of the economic contribution we bring to our country. As such we have a zero-tolerance approach to tax evasion and the facilitation of tax evasion. Egytrans has a substantial business and employment presence, and we pay a significant amount of tax, including corporate and other business taxes, as well as taxes associated with our employees. At the same time, we have a responsibility to our shareholders to be financially efficient and deliver a sustainable tax rate. As part of this approach, we look to align our investment strategies in a way that will reflect positively on our operations. Tax risk is managed through robust internal policies and processes to ensure that we have alignment across our businesses and compliance with tax legislation. Our Audit & Governance Committee and the Board are responsible for approving our tax policies and risk management approach. We are particularly pleased to report that Egytrans was among the first companies in Egypt to apply the electronic invoicing system, allowing us to provide support to our customers and vendors in that regard.

Cash flow

Although the financial and operational transformation process is not yet complete, we believe that the fundamentals established in 2020 in financial management put Egytrans in a prime position to proceed with its strategic vision in 2021 which, as a result, saw an increase in investments as we work towards our strategic growth priorities focusing on establishing the operational capability that will allow us to capture new opportunities moving forward. This reflects in our cash flow position which saw a decline of 66% attributed in large to three primary factors: first, difficulty in receivables due to an overall liquidity crunch in the market; secondly, increased working capital demands to finance added business and thirdly, the budgeted investment in the fleet expansion forour land transport activity which is expected to have significant impact on top line in 2022.

Total results

Total reported results represent the Group's overall performance. Egytrans believes that Adjusted results, when considered together with Total results provide investors, analysts and other stakeholders with helpful complementary information to better understand the financial performance and position of the Group from period to period and allow the Group's performance to be more easily compared against its peer companies. These measures are also used by management for planning and reporting purposes.

Earnings per share

Total earnings per share were EGP 0.51 compared to EGP 0.30 in 2020. The 60% increase in earnings per share primarily reflected the effect of the overall improvement in the Gross Profit by 69% in addition to profits gained from subsidiaries.

Dividends

Egytrans recognizes the importance of dividends to shareholders and aims to distribute regular dividend payments that will be determined primarily with reference to the cash flow generated by the business after funding the investment necessary to support the Group's future growth, subject to any material change in the external environment or performance expectations. Over time the company expansion strategy is expected to maximize the profitability and strengthen the share value aiming at further increasing dividends in the future. In that regard, the Board has postponed decision of payout of dividends to the second half of 2022 following a decision to invest in treasury shares equivalent to a maximum of 10% of the total shares in order further enhance our ROI.

Outlook

In 2022 we expect to continue to deliver on our strategic priorities. We plan to increase targeted investment in our core business, to build on and invest behind our top line momentum for key growth drivers. Assuming global economies and transport and logistics systems approach normality as the year progresses, we expect to deliver on our targets.

Our outlook for 2022, is based on our strategic vision of grow, deliver and simplify and reflects our expectations for growth in key services, and the start of a five-year period in which we will continue to increase investment in core business areas, alongside implementation of our new expansion initiatives.

This guidance excludes any impact in 2022 from any further potential impact on our business from the coronavirus outbreak. All expectations, guidance and targets regarding future performance and dividend payments should be read together with the 'Cautionary statement regarding forward-looking statements.

Mohamed ElZoheiry
Chief Financial Officer

Egytrans

Egytrans' separate revenues reached EGP 264 million showing a strong jump of 39.3% Y-o-Y. In the meantime, costs increased at a lower rate of 33.9% to EGP 215 million while SG&A added 29.8% registering EGP 46 million. As a result, net operating profit turned to a positive EGP 2.3 million in 2021 from EGP -7 million in 2020. Net profit after taxes went up by 33.7% to EGP 18.5 million in 2021 vis-à-vis EGP 13.8 million a year ago, representing Net Profit Margins of 7% and 7.3% for both respective periods. Earnings per Share (EPS) reached EGP 0.59 for 2021 compared to 0.3 in 2020.

Revenues	Costs	Net operating profit	Net profit
EGP 264 million	EGP 215 million	EGP 2.3 million	EGP 18.5 million

EDS

Our ISO Tank Depot solutions business leads the market with 70% market share and continues to provide unique service and expertise to our customers.

EDS recorded a healthy 35.9% increase in its 2021 net profits after taxes to USD 0.766 million vis-a-vis USD 0.564 million in 2020. On the top level, revenues recorded an increase 7.5% to USD 1.55 million as opposed to USD 1.44 million in 2020.

Revenues	Costs	Net operating profit	Net profit
USD 1.55 million	USD 0.306 million	USD 0.940 million	USD 0.766 million

ETAL

ETAL is a market leader in the transport of exceptional cargo and heavy lifts. This market is highly complex due to the cyclical nature of the market and the technicality of the service in terms of dimensions, weights and stringent scheduling involved – requiring a high level of knowledge and expertise, experience and professionalism, flexibility and reliability, and organization and communication.

Our overall projects business decreased by 5.5% Y-o-Y, registering revenues of EGP 21.1 million in 2021 compared to EGP 22.4 million 2020. The COVID-induced slowdown in the market for large infrastructure projects has continued, , with net profit after taxes of EGP -0.3 million, dropping from EGP 1.8 million in 2020.

Revenues	Costs	Net operating profit	Net profit
EGP 21.1 million	EGP 14.5 million	EGP 0.301 million	EGP -0.3 million

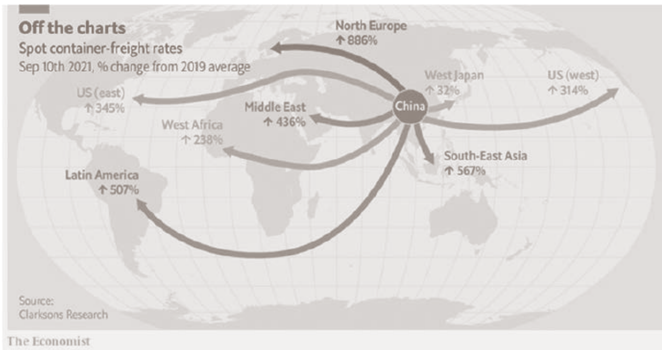
2022
A PERFECT STORM

A PERFECT STORM

2021 was an interesting year. We all saw the front-page stories about supply chain issues and for many it was a hard lesson on the importance of transport and logistics in their lives.

Disruption is not new to the industry. Over the past several years, we have gone through a series of disruptions related to trade in particular, in addition to rampant inflation and massive shifts in foreign exchange that were changing the cost competitiveness of our supply chain, and finally COVID-19 related disruptions. While most disruptions are localized, be it weather or political and economic issues, the disruption the pandemic caused was global and as a result exposed cracks in the rigid execution of a just-in-time operating model.

In the first seven months of 2021, cargo volumes between Asia and North America were up by 27% compared with pre-pandemic levels. Port throughput in America was 14% higher in the second quarter of 2021 than in 2019. There has been little growth elsewhere. Nevertheless, rates on all routes have skyrocketed (see map), because ships have set sail to serve lucrative Trans-pacific trade, starving others of capacity. As a result, the average door-to-door shipping time for ocean freight has gone from 41 days in 2020 to 70 days. More importantly, the average cost of shipping a standard large container (a 40-foot-equivalent unit) , surpassed $10,000, some four times higher than 2019.



For the Middle East, the cost of shipping from China has risen by an average of 439%, a positive situation when compared to the over 800% increase witnessed for shipping to the USA.

Today, we have a supply chain crisis because not one thing, not two things, not three things, but almost everything that could go wrong with the supply chain has gone wrong. Initially, a global V-shaped recovery, at the end of 2020 and through 2021, drove up demand across various industries. Secondly, labor and capacity shortages in most of the world had a ripple effect on global supply chains in terms of cost and time. This situation has been exacerbated every time there has been an outbreak of COVID somewhere in the world, or a new variant has emerged, negatively impacting a supply chain that is already strained with problems such as backups, creating, in effect, the perfect storm. Unfortunately, all of those things are still with us.

Cost of shipping has risen by an average of 439% in the Middle East

In a supply chain that is already strained with problems such as backups and labor shortages, an exponential rise in demand creates the perfect storm.

The problem

Container ships account for nearly a quarter of the world's traded goods by volume and three-fifths by value. As a result, problems in container shipping have a cascade effect on the entire supply chain. In the case of shipping in particular, the industry has over the past decade worked to become lean, achieving a balance between capacity and demand to offset the cyclicality of the industry. With the advent of the pandemic, much investment has gone into building up capacity or finding alternatives, albeit not efficient, to this mode of transport. However, most capacity building will not come into effect in the short term and more importantly, comes at a high cost.

In terms of land transport, while issues of labor have not been of great concern in our region, irregular supply has put strain on operational issues including long lead times in loading and unloading, efficiency of truckloads and simple issues like efficient pallet stacking are all concerns that have come to the fore, amidst pandemic associated delays. Moreover, while land transport has seen increased demand as an alternative to shipping, it has also seen increased investment as more ecommerce companies opt for inhouse logistics and transport solutions to offset the rising cost of transport – driven in part by increasing cost of fuel and inflation. In an environment where inflation has increased operational costs, this has pushed down margins in land transport as competition increases.

The result has been inflation along the entire line, with freight forwarders in particular suffering from smaller margins and delays. Economically, those issues have driven global inflation, and while at the beginning inflation and supply chain shortages were seen as short-term challenges, they are expected to continue through 2022.

2022

2022 logistics rates across the board, regardless of mode, are expected to continue with escalating rates and expenses driven by high inflation and continued tight cargo capacity. Seasonality, such as the Chinese New Year, will also add to the already existent backlog. On the positive side, with the re-opening of countries, GDP growth is forecast to rise driven by a rebound in trade activity and production. This will go hand-in-hand, according to the WEO, with forecast inflation in the region of 13%. The transition from pandemic to endemic is expected to result in further backlogs as supply chains, already strained to capacity, as they try to serve a fully operational world. This will impact cost of supply and drive inflation. Furthermore, there are a number of operational and political and economic issues that will further impact supply chains, such as climate change policies and oil prices.

The transition from pandemic to endemic is expected to result in further backlogs as supply chains, already strained to capacity, will have to contend with a fully operational world.

Climate-responsible initiative costs

Shipping, responsible for 2.7% of global carbon-dioxide emissions, is under pressure to clean up its act. Tougher regulations come into force in 2023. IMO decarbonisation costs mean rates will eventually settle at higher levels than those before the pandemic. Land transport will follow the shipping industry on the road to zero, as companies begin revisiting their supply chain partners. Beyond current measures which have successfully reduced emissions by 80%, new technologies at higher operational costs will begin to be incorporated impacting the cost of land transport over the long term.

Energy picture uncertain

Inflation is driving up the cost of fuel. Goldman Sachs forecasts that oil prices could rise to $150 per barrel in 2022 under a full economic reopening scenario. By contrast, Deutsche Bank forecasts that prices will average just $60 per barrel. This dichotomy in predictions, reflects the uncertainty about both global oil demand - which is a function of economic activity - and supply, which is increasingly subject to non-market forces.

Fuel costs are a critical component of overall logistics costs. In recent months, we have seen a significant and steady rise in fuel costs making transport costs higher. As per standardized calculations, a 5% fuel price hike leads to a nearly 2% increase in transportation charges. This is particularly significant for ecommerce logistics providers, a sector that is expected to grow at CAGR 10.5 % till 2025, impacting price-sensitive consumers. Although there is an upward trend in consumer buying, the imbalance in the logistics ecosystem impacts margins negatively. While those costs may not reflect now because companies are buffered by long term agreements, they will become an issue going forward.

Business Continuity in the short term …

Going forward there will be focus on achieving a balance with respect to supply chains, where there are adequate inventories but companies are also as lean and efficient as they can be. This balance is difficult to achieve, and the focus in the short term will move from just-in-time to just-in-case as companies guard against supply shortages by building inventories far above pre-pandemic levels. This in turn will increase demand on warehousing in the short term to house the excess inventories.

… to optimization

Over the year cost optimization will take center stage, along with increased global risk assessments to ensure a measure of supply chain resilience. Risk assessment of global supply chains will provide an understanding of where risks lie and provide a better indication of the level of “leaning” of the supply chain, the sourcing options, and the flexibility that businesses have within their supply chain. The success of this will depend on real-time data. More than in the past, making business decisions based on real-time data is going to be critical in supply chain decisions as there is more pressure to be agile and able to pivot quickly.

… to over capacity

Supply chain is like a pendulum. The focus swings from driving cost from the operation and going lean to investing in the supply chain to meet the demand for higher throughput. It is estimated that the supply chain will normalize at the end of 2022, at which time, given the immense investment in containers and supply chain capability, there will be a problem of overcapacity like the one witnessed in 2018. This, coupled with an inflationary environment and its repercussions and cost control, will become the major concern. This is particularly an issue for companies that have invested heavily in setting up their own logistics operations to meet demand driven by ecommerce.

Inflation, escalating fuel prices and continued backlog in supply chain will continue to drive the cost of supply chain upwards in 2022… but while in the short-term the storm hails, the overall outlook is bright and sunny.

The global economy is traversing a new phase of uncertainty which will affect our region. Inflation, escalating fuel prices and continued backlog in supply chain will continue to drive the cost of supply chains upwards in 2022, which will invariably impact the cost of goods. Delay in supply chains will push manufacturers to change their logistics operations. For project logistics, while we expect stabilization as infrastructure projects slowly resume operations, the highly competitive environment will continue to push down margins, and over the long term we expect companies to consolidate or divest.

Yet despite the difficulties, there is a silver lining. Egypt’s strategy, set in motion in 2014, has been to transform the country into one of the major global hubs for transport and logistics. The nearly 1.7 trillion budget targeting the complete overhaul of logistics and transport capability has prepared Egypt for the new normal, one which is well placed to capture opportunities, from changes in production patterns to global changes and supply chain developments including, most significantly, the trend towards reshoring manufacturing. While in the short-term the storm hails, the overall outlook is bright and sunny.

Ali Abdallah

Ali Abdallah

Business Development
Director at Egytrans

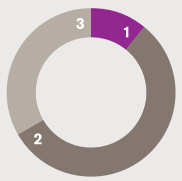
Corporate Governance

In this section

Chairman's governance statement

Composition

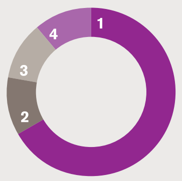
Board
till 31/12/2021



1. Executive 11.1%
2. Non-Executive 55.6%
3. Independent 33.3%

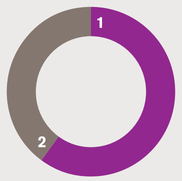
Tenure

Board
till 31/12/2021



1. Up to 2 years 66.7%
2. 2-4 years 11.1%
3. 5-7 years 11.1%
4. Over 8 years 11.1%

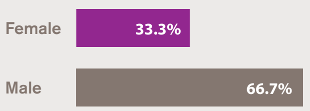
Executive
till 31/12/2021



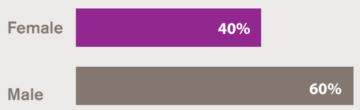
1. Up to 2 years 60%
2. Over 8 years 40%

Gender diversity

Board
till 31/12/2021



Executive
till 31/12/2021



"In the last three years there has been significant change for Egytrans, in a highly dynamic operating environment, as it progresses towards the transformation exercise initiated in 2019."

Dear shareholder,

I am pleased to present our Corporate Governance statement for 2021. Our governance structure operates from the Board across the Group and we believe it underpins our ability to deliver our strategy and create long-term value and benefit for our shareholders and stakeholders.

I can confirm that throughout 2021 the company complied with the requirements of Financial Reporting and our Corporate Governance Code. The following pages set out details on the composition of our Board, its corporate governance arrangements, processes and activities during the year, together with reports from each of the Board's Committees.

Board priorities: governance and delivery

In supporting the establishment of a new Egytrans, there have been three stages in our oversight work. The first was to ensure that there was clarity between the Board and management on Egytrans' strategy, its execution and, therefore, our key priorities. Then we focused on articulating our ambitions for a transformed Egytrans. These ambitions provide the foundation for enhanced performance management and a transparent way to track progress. The final stage will be to ensure the company's compensation system reinforces the performance culture that we are seeking to embed and only rewards delivery at and beyond our ambitions.

Our work has also been focused on creating the best platform for our business to grow sustainably in the years to come. It has never been more important for the Board to operate to the highest standards of corporate governance in supporting and overseeing the delivery of Egytrans' transformation. The Board continues to focus its work on our key priorities and on taking the important decisions necessary to progress them, and be held accountable for doing so by our shareholders and other key stakeholders.

In last year's Governance statement, I explained that our primary objective for 2021 was to ensure there was clarity between the Board and management on Egytrans' execution of strategy and its operational priorities. We have aligned our long-term priorities of Grow, Deliver, Simplify and Trust powered by culture and agreed on the metrics to measure delivery against them. The Board's annual cycle of meetings ensures that all major components of our strategy are reviewed over the course of the year. The pandemic continued to impact and dominate all our lives for the majority of 2021 but the Board has adapted well to operating virtually since the onset of the pandemic.

With the onset of COVID-19, we invested significant time in assessing and responding to its impact. Management and the Board established a framework to consider three key areas: our People, Continuity and Solutions. This established framework has ensured that we would continue to be fully competitive in a post-pandemic world and has underpinned our performance in 2021.

Corporate governance

During the year, we have reviewed our corporate governance structure and areas for improvement, including the actions we will be working on further enhancing. Our intention is to raise the bar on existing corporate governance practices and demonstrate a broader responsibility within society, in fulfilment of the general aim to build trust in business. At the core, the Board has reviewed our existing practices to identify where they are in line with Governance requirements and actions needed for improvement and alignment and has mandated enhancements where appropriate.

Our purpose, strategy and culture

Our purpose is to provide cost-effective, safe, timely and easy integrated transport solutions for our customers, and this is underpinned by our values of integrity, innovation, learning & growth, building partnerships and focusing on solutions. Our purpose and values have always been a source of great pride for our employees. They are a powerful force in attracting and retaining talented people who, as individuals, want to be part of a company that contributes meaningfully to society. We have been keen to preserve this commitment to our purpose and values as we developed the company's priorities, supported by evolving a culture to foster a higher pace and performance edge. The Board receives regular updates from our executive team, that update it on progress on the alignment between our strategy and our performance and values-based culture.

Risk management

The Board continues to consider Egytrans' risks and the strategies to address them. Reviews of the risks were undertaken throughout the course of the year, including whether the risks affecting the respective businesses are being managed and mitigated in a proportionate way, and management's commitment to maintain a strong controls culture.

Trust Framework

In 2019 we reported our intention to work towards a concrete and solid strategy that would reflect our priorities in terms of how Egytrans wants to contribute in its societal commitments. The Company's responsible business agenda forms an important part of the Board's oversight, ensuring management is working to deliver long-term value for both shareholders and society. In that regard, the Board has focused on topics that are material to the company's purpose, strategy, values and expectations. In the coming year, the work of the Board will include overseeing the development of commitment to Net Zero to support the Company's Trust priority.

Our commitments build on a strong performance in responsible business over many years and are set in the context of external trends and stakeholder expectations. The framework surrounding the commitment has towards Net Zero will be subject to review by key stakeholders after which their feedback will be incorporated to further strengthen its design and operation.

The Board will continue to review opportunities to develop its remit to support the company's CR agenda and goals. As part of this process, it will consider best practices and examine its current responsibilities. Over the next year, we will continue to explore Egytrans' material responsible business topics and seek to understand how management is responding to the expectations of external stakeholders. The Board is well positioned in 2022 to support the delivery of our commitments to support Trust, one of Egytrans' long-term business priorities.

Sincerely,

Abir Leheta
Chairman & CEO

Our corporate executive team

① Abir Leheta
Chairman & CEO

Appointed
June 2015

Abir Leheta was elected as Chairman and CEO of Egytrans, the leading national transport and logistics provider, in 2015, thereby becoming the first woman chair in the 45-year history of the company. Recognized by Forbes as one of the Middle East's 100 Power Businesswomen in 2020, Abir's record of transformative leadership is demonstrated through successfully implementing programs and services that have significantly changed the company. Under her leadership, Egytrans continues to grow, with the aim of building a transnational Transport and Logistics enterprise recognized within the region.

Leheta joined the family business upon graduation, spending her earlier career days rotating through various departments and learning the business operations. She first joined in 1996 as Head of Software Development, followed by several managerial and executive positions, reaching Chief Strategy Officer responsible for the development and implementation of the strategic direction of the Company.

Abir Leheta dedicates significant time to civic organizations and is a vocal advocate of women's empowerment. Leheta has been a member of the board of the Egyptian Transport and Logistics Company (ETAL) and Egytrans Depot Solutions (EDS) since 2009 till her appointment as Chairman in 2015. She is also the Chairman of Barwil Egytrans and ScanArabia. In addition, she is a member of the Egyptian Businessmen's Association (EBA), the British Egyptian Business Association (BEBA), the Co-chair of the Transport Committee at the American Chamber of Commerce (AmCham) and Chair of the African Women's Committee of the Egyptian African Businessmen's Association (EABA). She is also a member of the board of the Global Compact Network Egypt, the local chapter of the UN Global Compact and a member of the Chartered Institute for Logistics & Transport.

Abir has been recognized by multiple organizations for her business leadership as well as her community and civic involvement. She was named one of the "Top 50 Women Performing in Egypt" by Amwal Al Ghad magazine, and the "Middle East's 100 Power Businesswomen" by Forbes magazine.

Abir holds a B.Sc. in Computer Science with a Minor in Business Administration from the American University in Cairo. She later went on to attain accreditations in a number of areas including certifications in Quality and Organizational Excellence from the American Society for Quality (ASQ), Risk Management from the Institute of Risk Management (IRM) and Board Member Certification from the Egyptian Institute of Directors (EIoD).

Mohamed ElZoheiry
Chief Financial Officer

Mohamed ElZoheiry serves as the Chief Financial Officer of Egytrans, a leading transport and logistics provider in Egypt. As CFO of Egytrans Group, his responsibilities include participating in setting the operational and financial strategy, assessment of organic and acquisition expansion opportunities, governance and financial risk management. As part of the strategic leadership, and as a member of Egytrans' Executive team he plays an instrumental role in the company's growth initiatives.

He joined Egytrans in July 2020 following nearly two decades of experience in his field including accounting, financial analysis and corporate compliance. In his capacity, El Zoheiry oversees corporate finance, treasury, accounting, costing and tax.

El Zoheiry has worked with Al Ghurair Foods Holding Co., Mining House Ltd., Masafi Co., Savola and Ghandour across a diverse range of industries including vehicle assembly, FMCG and mining with direct international and regional responsibility overseeing the financial management of multibillion dollar portfolios. In the position of Financial Director at Ghandour, Savola, and Alghurair he was integrally involved in expansion plans, operational efficiency development and mergers & acquisitions, in addition to his day-to-day duties.

ElZoheiry holds a Bachelor's Degree with a Major in Accounting from the Faculty of Commerce and Business Administration at Helwan University, and an MBA in Finance from Middlesex University in London. He went on to attain accreditation in a number of areas including certifications in Financial Modelling from George Washington University 2015.

Yomna Adel Ali
Director of Human Resources and Administration

Yomna Adel Ali has over 20 years' experience in Corporate Human Resources in both local and multinational companies in various business sectors such as Cairo 3A, Ezz Steel, Johnson & Johnson, French Shipping Line CMA-CGM and in various fields that include FMCG, manufacturing, agriculture, IT and shipping.

Yomna has a wide range of experience in Mergers & Acquisitions, HR Due Diligence, Culture Transformation, Policies and Procedures, Total Rewards, Talent Acquisition, Succession Planning, and Company Restructuring.

Yomna is certified in the Personality and Preference (PAPI), a psychometric assessment tool by the British Psychological Society in Dubai. She holds a Master's Degree in Political Science – Political Development from the American University in Cairo. She graduated from Temple University Japan in Political Science and has a Mass Media Certificate from the same university.

Eslam Fawzy
Director of Projects

Eslam is the Director of Projects, responsible for the coordination of all project logistics, and a member of the Executive Team. Eslam joined Egytrans following his graduation, in 2005, as Projects Specialist. Since then Eslam has worked in the same field, holding positions of Projects Coordinator in 2008, Supervisor in 2009 and finally in 2015, Eslam was promoted to the position of Projects Execution Manager.

Following his graduation in 2004 with a BSC Degree in Industrial Engineering from Alexandria University, Eslam continued his studies, receiving a Diploma in Industrial Engineering from Alexandria University in 2007 and in 2010 a Diploma in Freight Forwarding from EIFFA & the Arab Academy for Science, Technology and Maritime Transport.

Ali Abdallah
Business Development Director at Egytrans

Ali Abdallah serves as Director of Business Development at Egytrans, one of the largest providers of logistics and transport services in Egypt. As a member of the Executive team, he leverages his knowledge of the business and industry to influence and impact decision-making processes, and contribute to the creation and execution of strategies that will grow the business.

Abdallah rejoined Egytrans from Collett & Sons Ltd., a leading logistics company in the UK specializing in Project Logistics, where he held the position of Head of Engineering leading the implementation of various solutions, as well as engaging in various big budget projects. During that time, he designed and supervised the manufacture of solutions which were used to transport multi-million pound cargoes that were later nominated for an ESTA award. Prior to that, Abdallah worked in Egytrans as a Senior Project Engineer, where he was the lead responsible for the technical aspects of the giant Siemens power projects in Beni Suef and the New Capital in 2016.

Abdallah graduated with a Bachelor of Science degree in Mechanical Engineering from the Arab Academy for Science, Technology & Maritime Transport (AAST). He went on to attain a postgraduate diploma in logistics from North West Kent College, University of Greenwich, and a Master of Science degree in Management from Leeds Beckett University.

Our Board

② Mohamed Hassan Youssef
Non Executive Member representing NIB

Appointed
March 2020

Skills and Experience

Mohamed Hassan Youssef holds the position of Under-Secretary of Technical Support for Investment at the National Investment Bank (NIB). Prior to this he served as the General Manager of Transport Project Finance and Credit, a position which oversees the administration of governmental investments in the amount of LE 10bn annually.

A part time lecturer at the AUC, he is also a published author with several books and numerous articles to his name with a core focus on economics and financial instruments. Most notable are "The World Financial Crisis: Why Insolvable?", "Repercussions of World Financial Crisis", and "Dictionary of Economic Terms".

Youssef holds a Bachelor of Arts degree in Economics from the Faculty of Economics and Political Science, Cairo University 1987. He later attained several certifications and academic degrees including a Diploma of Islamic Economics from Cairo University in 2006, and MPPA from the Faculty of Global Affairs & Public Policy, the American University in Cairo (AUC) in 2010.

External Appointments

Youssef sits on the Boards of several organizations including Egytrans, Abu Dhabi Islamic Bank-Egypt (ADIB) and the Egyptian Black Sand Company (EBSC). In addition, he chaired the Board at Afak for Agricultural and Animal Development (till May 2017).

③ Raed Al Meshaal
Non Executive Member and Shareholder

Appointed
March 2020

Skills and Experience

Mr. Raed Al Meshaal is the Founder and Chairman of the Saudi Textile Factory Company in Riyadh with a track record of successfully establishing presence across a diverse number of industries including trade, plastic and paper manufacture, and transport and logistics in Saudi Arabia.

Over the course of his career, Al Meshaal has held several board-level and management positions and has chaired a number of major organizations such as Riyadh Laboratories for Velvet Production, one of the largest companies in the Kingdom to produce Carpets & Yarns. He previously headed the Active Plastics Factory specializing in the Production & Coloring of Plastic Granules, and has also co-founded Tharawat for Securities.

He holds a Bachelor's Degree from King Saud University, in addition to certificates from IMD Institute in Switzerland and City University of London in the United Kingdom.

External Appointments

Al Meshaal has sat on the board of a number of organization and currently sits on the Board of Egytrans, a leading logistics and transport provider in Egypt. He is also a board member of Saudi Paper Manufacturing Company, a company listed on the Saudi Stock Exchange.

④ Mohamed Ashraf Omar
Non Executive Member and Shareholder

I N

Appointed
November 2017

Skills and Experience

Mohamed has wide experience in Business, gained in the construction and petrochemicals industry.

Mohamed is the General Manager of Concorde Ready Mix Concrete, a company he co-founded in 2008, specialized in Ready Mix Concrete production and services with three Plants in 6th of October, New Administrative Capital and El Shorouk City. He served as Assistant CEO in Concordia Real Estate Development Company from 2007 to 2013. Prior to that Mohamed worked in diverse industries across a number of different disciplines allowing him to gain wider business expertise.

External Appointments

He is currently board member of Concorde Ready-Mix Concrete Company and Concordia Real Estate Development Company as well as the CEO of Concorde Investments and Development.

Mohamed is also an active member of various professional institutions and associations, including the Egyptian-French Businessmen Association and the Egyptian Junior Businessmen Association.

⑤ Samer El Waziry
Independent Member

A

Appointed
March 2020

Skills and Experience

Samer El Waziri has three decades of experience in optimizing the financial success of companies of all sizes, including Fortune 500 enterprises. As a champion of operational excellence and productivity he has consistently driven corporate financial performance records instrumental in achieving even the most ambitious business goals. El Waziri is known as an unrelenting bottom line driver with a remarkable track record of spearheading organic and inorganic business expansions.

El Waziri is the Financial Advisor to the Board of Raya Holding a position he took on after retiring from his position of Chairman of Raya FMCGRaya Foods along with Raya Food Trading where he was responsible for the restructuring of the company and the implementation of an ambitious international expansion strategy in the frozen foods industry. During that time he launched "Haneya, Lidia & Barawa" in various product ranges and categories. He also helped in positioning the Polish products Macaroni Polski and Sorenti, in the Egyptian market. During that time, he implemented a number of quality driven initiatives with farmers obtaining funding from the Agricultural Bank of Egypt (ABE) and the European Bank for Reconstruction and Development (EBRD). Prior to that El Waziri was CFO of Raya Holding and GSK.

El Waziri holds a Bachelor of Commerce from Cairo University and a management diploma from Harvard Business School.

⑥ Ahmed Ismail
Non Executive Member representing NIB

A N

Appointed
March 2016

Skills and Experience

Ahmed Ismail has extensive business, legal and financial experience having served as board member on a number of Boards of companies and banks, such as the International Company for Finance Leasing (INCOLEASE) and Samanoud Textiles as well as The Egyptian Sudanese Corporation for Agriculture and the Export Development Bank of Egypt.

Mr. Ahmed Ismail has an extensive educational background along with over 35 years' experience gained in a number of leading roles at the National Investment Bank, ensuring his proficiency in financial, legal, environmental and human resources aspects of business.

External Appointments

1st Deputy of National Investment Bank for finance and credit to economic entities and units.

Supervising the central department for following up at the National Investment Bank.

Chairman of employees' insurance fund at the National Investment Bank.

Member in various committees inside and outside the bank. Ahmed currently serves as the head of the Employee Social Fund at the National Investment Bank.

⑦ Dr. Heba Leheta
Non Executive Member and Shareholder

N

Appointed March 2016

Skills and Experience

Professor Heba Leheta is currently Professor Emeritus of Naval Architecture and Marine Engineering and previously Acting Dean of the Faculty of Engineering at Alexandria University. In addition to a number of senior leadership positions held at the Alexandria University, Professor Leheta has also served on the editorial Board of a number of national and international Maritime Journals and attended and chaired several sessions in a number of international conferences on Maritime Engineering. Professor Leheta was awarded the University Merit Award in 2014 and the University Shield for Managerial Excellence in 2015. Professor Leheta is a certified Board member from the Institute of Egyptian Directors. With over 40 publications to her name, Professor Leheta brings scientific expertise to the Board's deliberations.

External Appointments

Professor Leheta a non-executive shareholding member of the Board of Egytrans. She is also a member of the General Assembly of the Holding Company for Maritime and Land Transport and a Fellow at the UK Institute of Marine Engineering, Science and Technology (Egyptian Branch).

She is a member of a number of Associations and Syndicates, in a leading capacity, most notable among them Member of Royal Institution of Naval Architects UK, Society of Naval Architects and Marine Engineers USA, the International Maritime Association of the Mediterranean, IMAM, the Egyptian Society of Marine Engineers and Shipbuilders and the Egyptian Engineers' Syndicate. Professor Leheta is the correspondent for Egypt of the International Ship and Offshore Structures Congress.

⑧ Mohamed Khodeir
Independent Member

A N

Appointed
March 2020

Skills and Experience

Mohamed Khodeir is the founder and Managing Partner of Khodeir & Partners and heads their Corporate Practice. Mohamed has a track record of over two decades advising public and private investors in MEA , with a deal sheet exceeding 50 Billion US$. His expertise includes multiple areas of law including; corporate, banking & finance, dispute settlement, government projects, legislation, investment and tax as well as family business.

Prior to that he was the CEO of the General Authority for Investment and Free Zones ("GAFI") in Egypt, during his tenure during a time of major reforms that included issuing of the new Investment Law which is one of the projects he led while serving public office. Before GAFI Mohamed was a cofounding partner in the Egypt branch of one of the leading firms regional firms with regional responsibility.

External Appointments

Mohamed is a member of the London Chartered institute of Arbitrators. He holds an LLM degree in international Business Law from Leiden University, the Netherlands and passed the Harvard Business School "Leading Global Businesses" Course. He was recognized by IFLR1000 as one of the leading lawyers in the fields of M&A and Capital Markets for 5 years. In 2008 – 10 was recognized by Asian Law Leading Lawyers Survey for his work in 'General Corporate Practice'. Additionally he was recognized for his contribution to government administrative reform by Tatweej Academy in Dubai.

⑨ Mohamed Okasha
Independent Member

I

Appointed
March 2020

Skills and Experience

Mohamed Okasha is a co-founder, member of the Board of Directors and the Managing Director of Fawry Egypt. With over 18 years of experience in the corporate retail sales, marketing and operations management of both IT and telecom Industries, Okasha launched the retail operation of Fawry across Egypt and built the strong client base of Fawry billers.

Before joining Fawry, Okasha held top executive roles at Raya and Vodafone, where he contributed to the launch and establishment of various successful initiatives in the IT and Telecom sectors.

Okasha holds a BSc. in Computer Science from AUC and an International MBA from the graduate school of ESLSCA.

Key

- ● Committee Chair
- Ⓐ Audit & Corporate Governance
- Ⓘ Investment
- Ⓝ Nomination & Compensation

Independent directors

① Ameer Sherif
CEO & Co-Founder of BasharSoft

Appointed
March 2020

Ameer Sherif is the co-founder of BasharSoft, a leading online recruitment portal, which he leads as CEO. BasharSoft developed and manages Egypt's leading online employment platforms Wuzzuf and Forasna. Collectively, both platforms have served over 40,000 companies and placed more than 700,000 people over the past few years. The company was nominated as one of 12 finalist tech startups out of 3,780 Arab startups in the MIT Business Plan Competition in 2011.

Since co-founding the company in 2009, Ameer managed to bootstrap for many years before successfully fundraising from top global VC tech investors from Silicon Valley, Sweden and UK. With significant growth and impact on the local market, he grew the company to become one of Egypt's most admired and fastest growing local tech companies. He raised a total of $10m in VC funding along the way and built a team of 300+ employees. Most investors in BasharSoft were first time investors in Egypt and the region, including 500 Startups, EBRD VC arm, Vostok New Ventures, and more. After investing in BasharSoft, these global VCs invested more than $100m in the MENA region.

Himself a well-known entrepreneur, Ameer advised and mentored hundreds of Egyptian entrepreneurs and has been a strong supporter and catalyst to the local Egyptian startup ecosystem. He also helped Egyptian companies and entrepreneurs adopt global standards and best practices in HR, people management, and organizational development. In 2019, he was selected as an Endeavor Entrepreneur and named a Young Global Leader by the World Economic Forum, after being nominated as one of the World's Brightest under 40.

Ameer holds a B.Sc. in Electronics and Electrical Communications Engineering and an M.Sc. in Computer Engineering from Cairo University. He has a number of articles published under his name on "Arabic Typesetting" while working as a teaching assistant in both Cairo University and AUC. He later made a shift from academia to the software business as a technical writer and software designer at Applied Science International LLC.

② Khaled Gamal
Managing Partner, Zilla Capital

Appointed
March 2020

Khaled is a founding partner of Zilla Capital, a boutique Investment Bank.

He has over 20 years of Investment Banking experience with EFG Hermes Holding, during which he played a leading role in the successful closure of landmark equity and M&A transactions. This is in addition to his extensive advisory experience, having advised and directed several multinationals and global private equity firms on their investment strategy in the MENA region.

Gamal was a member of EFG Hermes Holding Executive Committee and acted as the CEO of EFG Hermes in the Gulf Region. Assigned the task of positioning EFG Hermes as one of the top investment banks in the GCC region, Gamal successfully galvanized EFG's Saudi operations across all business lines and established EFG Hermes as a regional powerhouse.

As managing director of EFG Hermes' Investment Banking Division, Gamal led a number of high-profile transactions valued at over US$ 20 billion. Amongst those were Telecom Egypt's IPO, Juhayna's IPO, Maridive's IPO, Telecom Egypt's acquisition of Vodafone Egypt.

Gamal also served as EFG Hermes Holding's Chief Business Development Officer, allowing him to use his technical and executive experience, as well as his extensive network, to identify potential strategic partnerships, expand core product lines, and penetrate new markets.

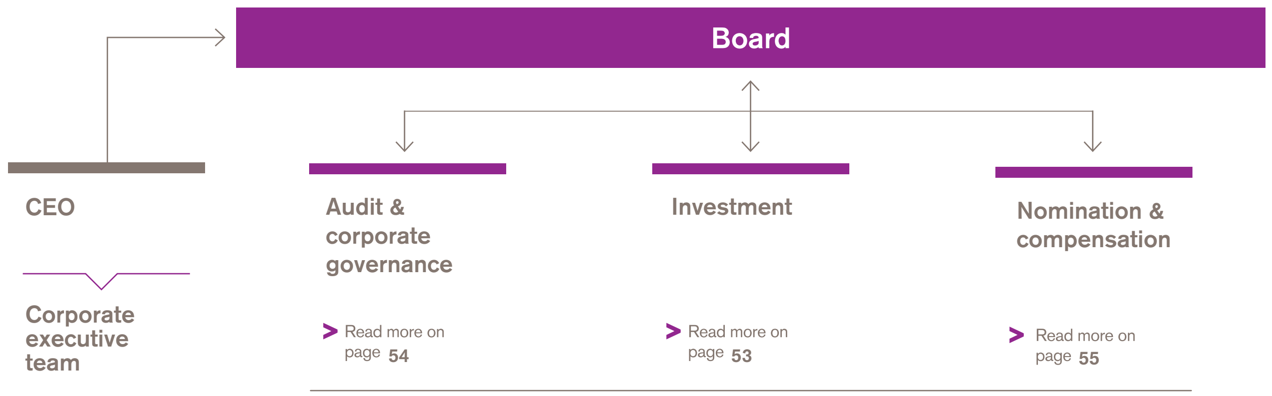
Prior to joining EFG, Gamal worked at CIB and holds a BA in Economics from the American University in Cairo.

Leadership and effectiveness

Corporate governance framework

The Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. The framework is designed to safeguard and enhance long-term shareholder value and to provide a platform to realize the Group's strategy through Egytrans' Portfolio, Performance and Trust priorities. Our internal control and risk management arrangements, are an integral part of Egytrans' governance framework.

For the Board to operate effectively and to give full consideration to key matters, Board Committees have been established as set out below.



Scheduled Board and Committee attendance during 2021

	Board	Nomination & compensation	Audit & corporate governance	Investment
No. of Meetings in 2021	11	1	7	2
Members	10 members	5 members	3 members	4 members
Eng. Abir Leheta	11/11	-------	-------	2/2
Mr. Ahmed Ismael	10/10	1/1	7/7	-------
Dr. Heba Leheta	11/11	1/1	-------	-------
Eng. Mohamed Ashraf Omar	11/11	1/1	-------	2/2
Mr. Samer El Waziri	11/11	-------	7/7	-------
Mr. Mohamed Khodeir	11/11	1/0	7/6	-------
Eng. Mohamed Okasha	11/9	-------	-------	2/2
Mr. Raed El Mashaal	8/8	-------	-------	-------
Mr. Mohamed Hassan Youssef	11/11	-------	-------	2/2
Eng. Tarek Malash	7/6	-------	-------	-------
Mrs. Ola El Garf	1/1	-------	-------	-------
Eng. Ameer Sherif	-------	1/1	-------	-------

> See the Committee Reports for other attendees at Committee meetings, such as the Chairman and other Executive Directors, and the work of the Committees during the year. These reports are included later in the Corporate Governance Report.

Investment committee report

Abir Leheta
Investment Committee Chair

Role

The Committee reviews and recommends to the Board:

- Evaluating opportunities for investment
- Studying investment proposals
- Maintaining oversight on progress of new projects
- Providing the Board with recommendations on new projects

Membership

Committee members	Committee member since
Abir Leheta Chair since 2016	2016
Mohamed Niazy	2020
Mohamed Ashraf Omar	2018
Mohamed Okasha	2020
Khaled Gamal	2020

> Details of the Committee members' skills and experience are given in their biographies under 'Our Board' on pages 57 to 58. See page 60 for Committee member attendance levels.

Rania Farouk Bastawissi, Corporate Governance and Sustainability Manager and Secretary to the Committee attends all meetings. Other attendees at Committee meetings may include:

Attendees	Regular attendee	Attends as required
CFO	✓	
Business Development Director	✓	
Projects & Operations Director		✓

Dear shareholder,

I am pleased to present the Investment Committee report.

The Investment Committee has a number of responsibilities ranging from setting the long-term investment policies to monitoring investment performance.

Our investment strategy is closely tied to our strategic priorities and based on a set of guidelines that sets out the strategic fit of the opportunities under consideration in addition to an optimum rate of return on investment. Earning an optimum rate of return becomes more challenging as the investment environment changes at an ever-faster pace. A sector more relevant than ever, logistics and transport is a growing, market. Events of the last two years have underscored the industry's importance. The pandemic, which continues to have an impact across the world, means consumers are more aware of the significance and impact of our industry on their lives.

Like most sectors ours in undergoing an important transformation as new technological solutions come into everyday use, driven by market trends. At no point in recent history have we witnessed such a large degree of political, economic, social, technological, environmental and legal changes influencing this segment of the economy. As complexity of modern transport and logistics grows, it is more and more difficult to understand what should be the short vs. long term focus and what to invest in.

Our strategic response

We have analyzed each of these forces in detail, taking into account their driving trends as well as the maturity of solutions emerging in the market as a response. Our strategy is designed to respond to this changing environment: To bring differentiated, high-quality solutions and services to our customers, with our three businesses, technical know-how, and talented people. In 2019 and 2020, we implemented a pilot project for land transport which has been expanded upon based on its profitability. More significantly, we continue to oversee investments that will fortify our current business in terms of capacity building, including the decision to invest in a new 10000 m2 warehouse in Ain el-Sokhna in the SCZone.

Logivators, Egytrans' transport and logistics incubator was launched in 2021. With the aim to unlock growth, we plan to invest in and partner with promising start-ups and visionary innovators. The start-up approach of disrupting existing supply chains and upgrading the efficiency and transparency of transport businesses through the application of new tools and technologies complements our established capabilities. As a strategic investor, we can provide funding for startups working in the transport and logistics space. We recognize that investing into and partnering with digital start-ups will not, by itself, transform the legacy business of a transport and logistics company, but it can provide access to capabilities and talent to create new digital business pathways. To that end, we are reviewing several of the incumbents with a view to their potential return. Several potential avenues have been identified and are under evaluation, guided by our strategic priorities.

In addition, the committee is responsible for governing the conduct of every aspect of new investment projects. While we are not involved in daily investment decisions, we have guidelines in place and keep a close eye on new projects performance to ensure that the new projects are managed according to the highest professional standards. In that regard, we have focused on evaluating return on existing investments with a view to possible opportunities arising from vertical expansion.

Next steps

We will continue to execute on our strategic objectives of Grow, Deliver, Simplify and Trust and use those as guidelines in our investment decisions as we seek to diversify our portfolio with the dual objective of serving a larger base of customers and mitigating the cyclical effect of our projects line of business. As we increase the diversity of our services, we are building an even more robust platform from which to deploy capital and create value for our shareholders.

Abir Leheta
Investment Committee Chair
February 12, 2022

Audit & corporate governance committee report

Samer El Waziry
Audit and Governance Committee Chair

Role

The Committee reviews and recommends to the Board:

- financial and internal reporting processes
- integrity of the financial statements
- identification and management of risks and external and internal audit processes
- independence and capability of External Auditor

Membership

Committee members	Committee member since
Samer El Waziry Chair since 2020	2020
Ahmed Ismail	2016
Mohamed Khodeir	2020

> Details of the Committee members' skills and experience are given in their biographies under 'Our Board' on pages 57 to 58. See page 60 for Committee member attendance levels.

Rania Farouk, Corporate Governance and Sustainability Manager and Secretary to the Committee attends all meetings. Other attendees at Committee meetings may include:

Attendees	Regular attendee	Attends as required
CEO	✓	
CFO	✓	
Internal Audit Manager	✓	
Risk Management Supervisor		✓
Quality Assurance Supervisor		✓

Dear shareholder,

In the following pages of this report, we aim to share insights into the activities undertaken or overseen by the Committee during the year. The Committee has worked largely to a recurring and structured program of activities.

Financial reporting

The integrity of the financial statements, including the Annual Report and quarterly results announcements, is a key focus for the Committee. This includes the Committee's assessment of the effectiveness of the internal controls over financial reporting. The Committee reviewed, at least quarterly, the company's significant accounting matters, tax and accounting for significant transactions, as well as the impact of changes to accounting standards. The Committee's position has always been to aim for clear and transparent financial disclosure in Egytrans' financial reporting and to support a proactive approach that is in step with or ahead of guidance and requirements from regulators. In line with prior years, the Committee continued to review compliance with the latest guidance and endorsed management proposals to further improve disclosures. The new Annual Reporting structure is a particular example of this progress.

Enterprise risk framework and strategies

This is another core area of focus for the Committee. For a number of years, the Committee has been considering Political, Economic, Social, Technological, Legal and Environmental emerging risks. During the year, the Committee considered Egytrans' enterprise risks and the strategies to address them. As part of its review, the Committee assesses whether the key enterprise risks affecting the business are being managed and mitigated in a proportionate way. The Committee examines whether it is satisfied with the control environment, its operation and effectiveness and whether refinements that management proposes (to ensure the environment remains fit for purpose) are appropriate. It also assesses the commitment of the business units' leadership to maintain a strong controls culture. This included the appointment of Ahmed Mohyeldin to the role of Internal Audit manager. He brings with him a strong technical grasp of reporting, internal controls, and cost and capital discipline. Ahmed is responsible for reporting on key Internal Control Framework improvements and simplification activities to further enhance how we manage risks in order to provide an improved governance structure better aligned to the organization's needs.

Monitoring and compliance activities

Monitoring is a key element of our Internal Control. It provides a continuous source of insights that inform improvements in the control environment and there was significant focus by each of our businesses in this area in 2021. This included consolidated and streamlined business monitoring and improved coordination between businesses and monitoring groups.

The Committee continued to operate effectively. In terms of enhancements, it was agreed to continue the good progress made during 2021 in ensuring Committee papers are concise and accessible to facilitate productive discussion.

Samer El Waziri
Audit & Governance Committee Chair
February 11, 2022

Nomination & compensation committee report

Ameer Sherif
Nomination and Compensation Committee Chair

Role

The Committee reviews and recommends to the Board:

- Structure, size and composition of the Board and the appointment of Directors, members to the Board Committees and the Executive Team.
- Succession planning for the Board and the Executive Team.
- Remuneration of the Board and the Executive Team
- Policies and procedures governing employment and remuneration.

Membership

Committee members	Committee member since
Ameer Sherif Chair since 2020	2020
Ahmed Ismail	2020
Heba Leheta	2016
Mohamed Ashraf Omar	2020
Mohamed Khodeir	2020

> Details of the Committee members' skills and experience are given in their biographies under 'Our Board' on pages 57 to 58. See page 60 for Committee member attendance levels.

Nagwa Mohamed, Chairman and CEO Office Manager and Secretary to the Committee attends all meetings. Other attendees at Committee meetings may include:

Attendees	Regular attendee	Attends as required
Chief Executive Officer	✓	
Human Resources Director	✓	
Appropriate external advisors		✓

Dear shareholder,

The Committee played an important role in delivering our key priorities to transform Egytrans. In the last few years, the Committee has been thoughtful in its approach to refreshing the Executive Team to align with our priorities and requirements of the business. More recently, the Committee has continued supporting the CEO in her refreshment of the senior leadership team to drive the delivery of our priorities for the long-term benefit of shareholders, customers and our other key stakeholders.

Executive management succession

In my committee report last year, I shared insights on the recruitment of several key senior executive appointments as part of the overall restructuring of the organization in line with our strategic priorities of simplify and deliver. This included a number of new hirings that provided effective business partners to the CEO with a strong set of personal values. This process has continued this year, with the addition of Yomna Adel in the position of Director of HR. Yomna is a highly qualified candidate with understanding of our industry priorities fortified by her long experience in the field of human resources. The addition of Yomna to our team also aligns with our inclusion and gender balance priorities and reflects positively both on a strong pipeline of top talent in the organization and, also, the ability to attract high-quality external hires to bring new perspectives and approaches from outside the business.

Ways of working

The Committee seeks to follow best practice in all the appointments it recommends, agreeing the criteria for each role, the most appropriate interview panel, before then considering potential candidates, who are interviewed and assessed against the chosen criteria. Due diligence is then undertaken before the Committee makes its final recommendation. Where appropriate, executive search firms may be appointed in accordance with the company's procurement policy based on their expertise relative to each role.

Board and diversity targets

The Committee is responsible for developing measurable objectives and monitoring progress towards their achievement to assist the implementation of the Board's diversity policy, including gender and ethnic diversity. Our progress against these targets is in line with our ambition and we are happy to report that we are in line with our targets for 2025.

Ameer Sherif
Nomination & Governance Committee Chair
February 25, 2022

Annual report on remuneration

The financial entitlements of the members of Board and the chairpersons and members of the committees affiliated to the Board of Directors during 2021:

Entitlements including rewards and attendance and transport allowances of the board members and members of the committees during the period from 1/1/2021 till 31/12/2021

name	Status	Annual Bonus	Attendance Allowance	Transport allowance	Dividends for 2020	Total
Eng. Abir Leheta	Chairman & CEO	1800000	3000	91000	198690.71	2092690.71
Dr. Heba Leheta	Non – Executive Board Member	100000	3000	86000	198690.71	387690.71
Mr. Samer El Waziri	Independent Board Member	100000	3000	116000	144502.33	363502.33
Mr. Hany Khodeir	Independent Board Member	100000	2750	104250	144502.33	351502.33
Eng. Mohamed Okasha	Independent Board Member	100000	2000	59000	144502.33	305502.33
Mr Mohamed Hassan Youssef	Non – Executive Board Member	-----------	------------	91000	--------------	91000
Eng. Tarek Malash	Non – Executive Board Member	41667	2250	60750	--------------	104667
Mrs Azza El Garf	Non – Executive Board Member	------------	-----------	13500	--------------	13500
Eng. Mohamed Ashraf Omar	Non – Executive Board Member	100000	3000	96000	198690.71	397690.71
Total		**2341667**	**19000**	**717500**	**1029579.12**	**4107746.12**

Governance

EGYTRANS is committed to implement all the governance standards outlined in the third edition of the Guide to Corporate Governance Regulations and Standards in Egypt issued by the Egyptian Institute of Directors at the Egyptian Financial Supervisory Authority, on 26 July 2016 with the exception of certain standards that the company could not apply for the following reasons:

Standard

2/2: Axis ii: Board of directors

2/2/1 Composition of the Board of Directors

It is not recommended to combine between the positions of Chairman and Managing Director. If this is not possible, the underlying reasons shall be disclosed in the Company's annual report and on the website. In this case, and in accordance with international best practices, an independent vice chairman is appointed to chair the meetings that discuss the performance of the executive management.

Explanation

This is according to the Financial Supervisory Authority's decision no. (47) for 2020 prohibiting the combination between the positions of Chairman and Managing Director. The Authority has granted stock-listed companies one year period to amend the company's structure, effective from the decision issue date or the first board election. The company shall comply and execute the aforementioned decision before the deadline.

Financial Statements

In this section

Auditor's report

To the Shareholders of Egyptian Transport and Commercial Services Company (Egytrans) «S.A.E»

Report on the separate Financial Statements

We have audited the accompanying separate financial statements of Egyptian Transport and Commercial Services Company (Egytrans) "S.A.E.", which comprise the separate statement of financial position as of December 31, 2021, and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year ended December 31, 2021, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the separate Financial Statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Egyptian Transport and Commercial Services Company (Egytrans) "S.A.E." as of December 31, 2021, and its non-consolidated financial performance and its non-consolidated cash flow for the financial year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, and the accompanying separate financial statements are in agreement therewith and the inventory count was performed by the Company's management in accordance with methods in practice.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

Hossam Abdel Wahab
Auditor Financial Regulatory
Authority Register No. (380)

KPMG Hazem Hassan
Public Accountants and
Consultants

The separate financial statements

Separate statement of financial position

as of December 31, 2021
(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Assets			
Non-current assets			
Property, plant and equipment (net)	(38-2), (12)	42 089 855	40 013 474
Right of use assets	(38-16), (27-1)	4 519 321	--
Intangible assets (net)	(38-3), (13)	238 514	868 068
Projects under construction	(38-4), (14)	42 746 656	3 171 125
Investments in subsidiaries (net)	(38-5-1), (15)	75 051 750	75 051 750
Investments in associates (net)	(38-5-2), (16)	600 000	600 000
Total non-current assets		**165 246 096**	**119 704 417**
Current assets			
Inventory	(38-7), (17)	4 600 066	4 009 361
Trade and notes receivable (net)	(38-16), (18)	66 061 983	64 641 059
Debtors and other receivables (net)	(38-16), (19)	44 694 403	38 978 239
Due from related parties (net)	(28-1)	574 223	--
Cash on hand and in banks	(38-8), (20)	36 294 102	76 890 427
Total current assets		**152 224 777**	**184 519 086**
Total assets		**317 470 873**	**304 223 503**
Shareholder's equity and liabilities			
Shareholder's equity			
Issued and paid up capital	(38-10), (21)	156 062 500	156 062 500
Reserves	(22)	16 454 353	15 833 224
Retained earnings		27 002 196	37 436 164
Total shareholder's equity		**199 519 049**	**209 331 888**
Liabilities			
Non-current liabilities			
Long term lease contracts liabilities	(27(, (27-2)	3 078 167	168 593
Deferred tax liabilities	(29-2-a)	1 226 317	793 064
Long term notes payables	(25-1)	23 250 025	--
Total non-current liabilities		**27 554 509**	**961 657**
Current liabilities			
Provisions	(38-12), (23)	2 398 185	545 256
Short term installments lease contract liabilities	(26), (27-2)	2 036 294	777 934
Due to related parties	(28-2)	37 301 400	19 085 563
Trade and other payables	(38-16), (24)	48 314 074	73 004 325
Dividends payables		347 362	57 963
Current income tax	(29)	--	458 917
Total current liabilities		**90 397 315**	**93 929 958**
Total liabilities and shareholders' equity		**317 470 873**	**304 223 503**

- The notes and accounting policies attached to pages (8) to (58) are an integral part of these separate financial statements.
- Auditor›s Report – attached

Separate Profit or loss statement

for the Financial Year Ended December 31, 2021
(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Operating Revenues	(38-14-i),(3)	264 400 057	189 840 288
Operating Cost	(38-15),(4)	(215 428 393)	(160 878 901)
Gross profit		**48 971 664**	**28 961 387**
Other income	(5)	7 644 379	8 904 171
Selling and distribution expenses		(2 006 672)	(894 888)
General and Administrative expenses	(8)	(44 670 615)	(35 062 158)
Impairment loss	(38-9),(7)	(997 077)	(706 545)
Other Expenses	(6)	(8 692 369)	(1 282 224)
Profit /(Loss) resulted from Operating Activities		**249 310**	**(80 257)**
Investments income in subsidiaries and Associates	**(38-14-iii), (9)**	**21 273 233**	**12 304 131**
Finance income	(38-14-ii), (10)	1 460 781	3 194 807
Finance costs	(38-15-i), (11)	(1 886 208)	(523 829)
Net finance (cost) /income		**(425 427)**	**2 670 978**
Net Profit before tax		**21 097 116**	**14 894 852**
Income tax expenses	(38-15-iii), (29-1)	(2 559 144)	(1 026 142)
Net profit for the year		**18 537 972**	**13 868 710**
Basic and diluted earning per share (LE/Share)	**(38-17), (37)**	**0.59**	**0.3**

• The notes and accounting policies attached to pages (8) to (58) are an integral part of these separate financial statements.

Separate comprehensive income statement

for the Financial Year Ended December 31, 2021
(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Net profit for the year		**18 537 972**	**13 868 710**
Other Comprehensive Income Items:			
Foreign entities translation difference (Free Zone)	(38-1)	(72 307)	(512 701)
Total Comprehensive Income For The Year		**18 465 665**	**13 356 009**

• The notes and accounting policies attached to pages (8) to (58) are an integral part of these separate financial statements.

Separate statement of changes in equity

for the Financial Year Ended December 31, 2021
(I/S Figures In EGP)

			Reserves				
	Note No.	Issued and Paid up Capital	Legal Reserve	Capital Reserves	Translation difference Reserves	Retained Earnings	Total
Balance as of January 1, 2020		156 062 500	13 044 187	4 000 000	(2 114 231)	62 554 027	233 546 483
Transactions with company's shareholders							
Transferred to legal reserve		-	1 415 969	-	-	(1 415 969)	-
Dividends for the financial year ended December 31, 2019	(38-11)	-	-	-	-	(37 570 604)	(37 570 604)
Total transactions with company's shareholders		-	1 415 969	-	-	(38 986 573)	(37 570 604)
Comprehensive income							
Net profit for the financial year ended December 31, 2020		-	-	-	-	13 868 710	13 868 710
Foreign entities translation Difference (Free Zone)	(38-1)	-	-	-	(512 701)	-	(512 701)
Total comprehensive income		-	-	-	(512 701)	13 868 710	13 356 009
Balance as of December 31, 2020		156 062 500	14 460 156	4 000 000	(2 626 932)	37 436 164	209 331 888
Balance as of January 1, 2021		156 062 500	14 460 156	4 000 000	(2 626 932)	37 436 164	209 331 888
Impact of the initial implementation of the accounting standard number (47) financial instruments		-	-	-	-	(341 389)	(341 389)
		156 062 500	14 460 156	4 000 000	(2 626 932)	37 094 775	208 990 499
Transactions with company's shareholders							
Transferred to legal reserve		-	693 436	-	-	(693 436)	-
Dividends for the year ended December 31,2020	(38-11)	-	-	-	-	(27 937 115)	(27 937 115)
Total transactions with company's shareholders		-	693 436	-	-	(28 630 551)	(27 937 115)
Comprehensive income							
Net profit for the year ended December 31, 2021		-	-	-	-	18 537 972	18 537 972
Foreign entities translation Difference (Free Zone)	(38-1)	-	-	-	(72 307)	-	(72 307)
Total comprehensive income		-	-	-	(72 307)	18 537 972	18 465 665
Balance as of December 31, 2021		156 062 500	15 153 592	4 000 000	(2 699 239)	27 002 196	199 519 049

• The notes and accounting policies attached to pages (8) to (58) are an integral part of these separate financial statements

Notes to the separate financial statements

Separate statement of cash flow

for the Financial Year Ended December 31, 2021

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Cash flows from operating activities			
Net Profit for the year before tax		**21 097 116**	**14 894 852**
Reconciled as follows:			
Property, plant and equipment depreciation	(12)	3 747 525	3 686 728
Intangible assets amortization	(13)	699 379	698 764
Right of use assets amortization	(27-1)	3 055 422	--
Interest income	(10)	(1 460 781)	(3 194 807)
Lease contract interest expense	(11)	1 535 342	189 501
Foreign currencies exchange differences	(11)	350 866	334 328
Investment income from subsidiaries and Associates	(9)	(21 273 233)	(12 304 131)
Capital gain	(5)	(700 526)	--
Formed impairment loss	(7)	997 077	706 545
Formed provisions	(6),(23)	2 000 000	136 219
Provisions no longer required		(147 071)	(1 200 000)
		9 901 116	**3 947 999**
Change in inventory	(17)	(590 705)	1 762 807
Change in trade and notes receivable	(18)	(2 101 994)	(14 738 440)
Change in debtors, other debit balances and due from related parties	(19),(28-1)	(6 978 238)	(2 442 395)
Change in creditors, other payables and due to related parties	(24),(28-2)	(11 741 586)	19 309 628
Cash flow (used in)/ provided from operating activities		**(11 511 407)**	**7 839 599**
Employee Dividends and Board of Directors' bonuses	(37)	(4 238 340)	(6 343 926)
Lease contract interest expense	(11)	(1 535 342)	(189 501)
Tax paid	(29-1)	(2 125 891)	(618 878)
Net cash flow (used in)/ provided from operating activities		**(19 410 980)**	**687 294**
Cash flows from Investing Activities			
Cash Payments to acquire property, plant and equipment and projects under construction	(12),(14)	(17 766 819)	(4 212 578)
Proceeds from Property, plant and equipment debtors	(5),(14)	--	900 000
Proceeds from sale of Property, plant and equipment	(5)	705 002	--
Interest received	(10)	1 551 657	3 407 868
Proceeds from investments in Subsidiaries and Associates	(9),(16)	21 273 233	12 304 131
Net cash flow provided from Investing Activities		**5 763 073**	**12 399 421**
Cash flows from Financing Activities			
Cash dividends paid to shareholders	(37)	(23 409 375)	(31 212 500)
Payments for lease contracts liabilities	(26)	(3 406 809)	(827 974)
Change in pledged time deposits against letters of guarantee	(20)	(2 668 776)	5 835
Net Cash Flow (Used In) Financing Activities		**(29 484 960)**	**(32 034 639)**
Net change in cash and cash equivalent during the year		**(43 132 867)**	**(18 947 924)**
Foreign entities translation difference	(38-1)	(72 522)	(512 211)
Cash and cash equivalent at the beginning of the year	(20)	74 660 909	94 121 044
Cash and cash equivalent at the end of the year	**(20)**	**31 455 520**	**74 660 909**

- The notes and accounting policies attached to pages (8) to (58) are an integral part of these separate financial statements.
- Non-monetary transactions were eliminated as shown in note no. (32)

1. Background and activities

Egyptian Transport & Commercial Services Company (Egytrans) (Egyptian Joint Stock Company) Was established in Arab republic of Egypt on September 13 , 1973 as a limited liability company and the company has been authenticated in the commercial register under the number (16 974) at the same date , the duration of the company has been extended for 25 years starting from January 7th 1988 until January 6th 2013 and then another term for 25 years from January 7th 2013 until January 6th 2038 and the legal status has been amended to be an Egyptian joint stock company under the approval of General Authority of Investment on extra-ordinary general assembly decree dated January first 1987 and in accordance with law no. 159 of 1981 and its executive regulations and its issued amendments no.(4) for the year 2018.

The aim of the company is to represent ship owners and shipping companies, air freight operations, shipping agencies, stevedoring for dry, bulk and general cargo, transportation, transit for others transportation and general services, in order to finalize the bill of lading at the customs for imported goods either by land, sea or air acting as a freight agent at seaports, airports and land ports, air freight, clearance, storage, warehousing, operating dry ports management, depots, depots exchange and all related activities, packing and packaging, review, showrooms, comprehensive postal agency activities, commercial mediation, exporting, commercial consultants, importing and commercial agencies.

As well as owning and renting cargo transportation vehicles with all its types and operating them, trading in building materials, chemicals, food ingredients with all its type, brokerage activities in selling, purchasing, renting ships and all naval units, supplying ships, selling travel tickets on them.

Representing airlines, including reservation of traveling tickets and cargo spaces.

Storage of cargo air freighted coming on or off planes in the company's warehouses and providing different kinds of services to airplanes and their crew and passengers, supplying everything necessary to transport planes passengers and renting planes.

The company has the right to have an interest or to participate by any mean with agencies that share the same activities and that may help the company to achieve its purpose in Egypt or abroad also the company has the right to merge with these agencies or acquire them according to the law and its executive regulations.

According to the extraordinary assembly dated February 3, 2021, the company's headquarter has been changed at Port Said City, thereby the legal headquarter will be located mainly in Port Said City at the following address (unit number (2), first floor at Borg El Ahlam in Flesten Street and Jabarti dividing the quarantine land number (1) nearby the old lighthouse Qesm Ash Sharq Port Said Governorate).

The location of operating the activity is in the entire republic of Egypt except for South and north Sinai Governorate and El-Qantara el-Sharqiya as the autority has approved previously these sites taking into consideration, what has been stated in the presidential Decree number 350 for the year 2007 and what has been stated in the presidential Decree number 356 for the year 2008, as it is permitted for the board of directors to develop a branch or offices or agents in the entire republic of Egypt or abroad or in General Authority For Investment & Free Zones except for Shibh Jazirat Sina and El-Qantara el-Sharqiya according to the previous approval from the authority for opening branches for the company.

The company operates through branches in the following Governorates:

- Cairo
- Alexandria
- Damietta
- Suez
- Port said (free zone)

The Securities Registration Committee in Cairo & Alexandria stock exchange approved the registration of company's stocks on December 28, 1992.

Chairman & Managing director Engineer / Abir Wael leheita

The company's fiscal year starts on January 1st and ends on December 31 for each year

The company's separate financial statements for the financial year ended December 31, 2021 were approved from the Board of Directors dated February 24, 2022.

2. Basis of preparation of the separate financial statements

The separate financial statements have been prepared according to going concern and historical cost basis except for financial assets and liabilities which are recognized at its fair value and amortized cost, generally historical cost depend on purchase price or the money actually paid for the assets.

2-1 Statement of compliance

The separate financial statements are prepared in accordance with Egyptian Accounting Standards ("EAS") and relevant Egyptian laws and regulations.

The Significant accounting policies implemented in the company are disclosed in note number (38)

This financial statements are the first financial statements that the company applied the Egyptian accounting standard No.(47) "Financial Instruments" , Egyptian accounting standard No.(48) Revenue from contract with customers and Egyptian accounting standard No.(49) Leasing contracts. As the impact of changing the accounting policies is disclosed in note number (2-6).

2-2 Functional currency and presentation currency

The separate financial statements are presented in Egyptian Pound referred to as "LE", which is the company's functional currency.

2-3 Use of estimates and judgments

The preparation of the separate financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the implementation of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which those estimates were revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation and judgments is included in the following notes:

1. Operational useful life of property, plant and equipment and intangible assets (Note no. (38-2 iii) (38-3)).
2. Recognition of deferred tax assets and liabilities (Note no. (29-2)).
3. Impairment in the value of financial investment in Subsidiaries and Associates (Notes no. (16)).
4. Impairment on Trade receivables, debtors and due from related parties. (Note no. (18),(19),(28-1).
5. Provisions (Notes no. (23)).
6. Classification of lease contracts (Note no 38-16).
7. Recognition of revenue (Note no 38-14) the revenue is recognized according to the detailed implemented accounting policies.

2-4 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 in the principal , as the fair value measurement depends on the assumption that the transaction concerning the asset or transferring the liabilities will take place:

- In the principle asset's market or liabilities or
- In the absence of the principle market, in the most advantageous market for the asset or liability.

The fair value of the assets or liability is measured by using estimates that will be used by market participants when the asset or liability is quoted, assuming that the market participants act on their best interest regarding their economic benefit. The fair value measurement for the non-financial asset takes into consideration the participants' ability in generation of the economic benefits in the market by the optimal usage of the asset or selling it to another participant to use it with the same quality standards.

The company use evaluation techniques that is appropriate to the circumstances and the required information is sufficient for the fair value measurement, by optimizing the related noticed input benefit, limiting the unnoticed inputs.

All the classified assets and liabilities are measured or disclosed in the financial statements with fair values which are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in 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:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2-5 Consolidated financial statements

The company has subsidiaries, and the company is required to prepare consolidated financial statements in accordance with (EAS 42 consolidated financial statement) and article (188) in the article of legislation of companies' law no. 159 for the year 1981.

2-6 Change in significant accounting policies

On March 18, 2019, the Minister of Investment and International Cooperation amended some provisions of the Egyptian accounting standards issued by Minister of Investment No. 110 of 2015, which includes some new accounting standards and amendments to some existing standards.

On April 12, 2020, the Financial Supervisory Authority issued a decision to postpone the application of amendments in the new Egyptian accounting standards to the periodic financial statements and limit them to the annual financial statements by the end of 2020.

On September 17, 2020, Prime Minister Decision No. 1871 of 2020 was issued to postpone the application of the following Egyptian accounting standards until January 1, 2021:

(A) Standard (47) - Financial Instruments

(B) Standard (48) - Revenue from contracts with customers

(C) Standard (49) – Lease contracts

The company has applied the amendments to the Egyptian Accounting Standard No (47) financial instruments (see A)) and the Egyptian Accounting Standard No. (48) Revenue from Contracts with Customers (see B) and the Egyptian Accounting Standard No. (49) Lease Contracts (see C) with effect from January 1, 2021.

In the light of the prevailing application for the changes in the accounting policies, as what was selected by the company to implement is the accounting standard (47) Financial instruments, as the differences resulted from the implementation of this accounting standards were recognized -If any- in the retained earnings at January 1,2021 and the comparative figures included in the Financial statements were not adjusted to reflect the new requirements of the standard, as the impact of this standard is initially on increasing the recognized impairment loss in the financial assets.

A- Egyptian accounting standard No.(47) – Financial instruments

Egyptian Accounting Standard No. (47) sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces EAS (25) Financial Instruments: Presentation and disclosures, EAS (26) Financial Instruments: Recognition and Measurement, and EAS (40) Financial Instruments: Disclosures, applicable to Disclosures for the year 2021.

As a result of applying the Egyptian Accounting Standard (47), the company adopted the amendments to the Egyptian Accounting Standard No. (1) on the presentation of financial statements, which requires presenting the impairment in the value of financial assets in a separate item in the statement of profit or loss and other comprehensive income previously the company policy was to recognize the impairment loss of the current assets in other expenses , accordingly the company reclassify the impairment loss amounted to L.E 997 077 from other expenses to impairment loss in the statement of profit or loss for the year ended December 31 , 2021.

In addition, the company has applied the amendments to Egyptian Accounting Standard No. (40) - Financial Instruments: Disclosures applied to the disclosures for the financial year ending on December 31, 2021 and there is no impact on the company's financial statements.

Classification and measurement of financial assets and financial liabilities

Egyptian Accounting Standard No. (47) contains major classifications of financial assets: measurement at amortized cost, fair value through other comprehensive income and fair value through statement of profit or loss. The classification of financial assets under EAS (47) is generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. Egyptian Accounting Standard No. (47) deletes the previous definitions of Egyptian Accounting Standard No. (26) from held to maturity, loans and receivables and available for sale. Under EAS (47), derivatives embedded in contracts in which the host is a financial asset are not separated in the scope of the standard. Instead, the compound financial instrument is valued as a whole.

Egyptian Accounting Standard No. (47) largely retains the same existing requirements in Egyptian Accounting Standard No. (26) for the classification and measurement of financial liabilities.

The application of Egyptian Accounting Standard No. (47) had no material impact on the company's accounting policies related to financial obligations and derivative financial instruments.

For an explanation of how the company classifies the financial instruments and accounts and measures the related profit or loss under Egyptian Accounting Standard No. (47), see Note No. (38-6).

Impairment in of financial assets

Egyptian Accounting Standard No. (47) replaces the "incurred loss" model in Egyptian Accounting Standard No. (26) with the "expected credit loss" (ECL) model. The new impairment model is applied to financial assets measured at amortized cost, contractual assets and investments in debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments. Under Egyptian Accounting Standard No. (47), credit losses are recognized earlier than Egyptian Accounting Standard (26).

Regarding to the assets included in the impairment scope that is included in the Egyptian accounting standard (47), it is anticipated that the impairment loss will increase in general, to become more fluctuating. As the company decided to implement the Financial accounting Impairment standard (47) requirements at January 1,2021 that result in additional losses for the impairment in the values as follows:

	Note No.	LE
Impairment loss in Trade receivables according to the Egyptian accounting standard number (26) as of December 31,2020	(18)	1 846 610
Add:		
The value of the additional recognized loss in impairment at January 1,2021 in the value of trade receivables as of December 31,2020 charged on the retained earnings at January 1,2021	(22-4)	270 417
The value of the additional recognized loss in impairment at January 1,2021 in the value of bank deposits as of December 31,2020 charged on the retained earnings at January 1,2021	(22-4)	70 972
Impairment loss in in Trade receivables and bank deposits according to the Egyptian accounting (47) as of December 31,2020		**2 187 999**

• The additional information was clarified concerning the methodology of measuring the company's impairment loss in note number (9-38).

B- Egyptian Accounting Standard No. (48) - Revenue from contracts with customers

Egyptian Accounting Standard No. (48) specifies a comprehensive framework for determining the value and timing of revenue recognition. This standard replaces the following Egyptian accounting standards (Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts". Revenue is recognized When a client is able to control goods or services, determining the timing of the transfer of control - over a period of time or at a point in time - requires a measure of personal judgment.

Revenue recognition

Due to the nature of the company's activities, in addition to the company's current accounting policies, the impact of Egyptian Accounting Standard (48) on revenue recognition by the company will be immaterial, where the revenue is recognized over a period of time, and at point of time which represents the time in which the performance obligation is fulfilled, which doesn't differ material for companies from the Egyptian accounting standard no. (11). "Revenue"

Costs of securing a contract with the customer

Under Egyptian Accounting Standard (48), some of the additional costs incurred in acquiring a contract with a client ("contract costs"), which previously did not qualify for recognition as an asset under any of the other accounting standards.

C- Egyptian Accounting Standard No. (49) - lease contracts

The Egyptian Accounting Standard (49) replaces the Egyptian Accounting Standard No. (20) - the accounting rules and standards related to financial leasing operations.

Egyptian Accounting Standard No. (49) "Lease Contracts" provides a single accounting model for the lessor and the lessee, whereby the lessee recognizes the right to use the leased asset within the company's assets and recognizes an obligation that represents the present value of unpaid lease payments within the company's obligations, taking into consideration that for the lessee the lease contract is not classified as operating lease or finance lease. There are optional exemptions for short-term and low-value leases.

Regarding the lessor, the lessor must classify each of his lease contracts either as an operating lease contract or as a finance lease contract.

Regarding the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present it as amount equal to the net investment in the lease contract.

For an operating lease, the lessor must recognize lease payments from operating lease contracts as income, either on a straight-line basis or on any other regular basis.

Recognition and measurement

Upon the commencement of the contract, the company evaluates whether the contract contains leasing arrangements, and for such arrangements for leasing contracts, the company recognizes right of use assets and liabilities for lease contracts except for short-term leasing contracts and low-value asset contracts as follows:

On initial recognition, the right of use asset is measured at amount equal to the liability measured initially and adjusted for pre-contract lease payments, and the initial direct cost, rental incentives, and the discounted value of the estimated costs of dismantling and removing the asset. In the subsequent measurement, the right of use asset is measured at cost minus the accumulated amortization and of the impairment losses. Amortization is calculated on a straight-line basis over the lower of estimated useful lives of the right of use assets or the lease term, whichever is less.

The lease liability is measured at the beginning of the lease contract with the present value of the unpaid lease payments on that date over the lease period, and the lease payments should be discounted using the additional borrowing rate prevailing in the country in general. The company uses the additional borrowing rate as a discount rate. Then the lease contract liability is measured at amortized cost using the effective interest rate method.

The right of use assets and the lease liability will be re-measured later if any of the following events occur:

- The change in the rental price due to the index price or the rate that became effective during the period.
- Amendments to the lease contract.
- Reassessment of the lease term.

Leases of non-core assets that are not related to the main operating activities of the company, which are short-term in nature (less than 12 months including renewal options) and low value leases are included in the profit or loss statement as incurred.

Upon the application of the requirements of EAS (49), the company choose to apply the practical method to exclude the valuation whereby transactions represent lease contracts. It applied Egyptian Accounting Standard (49) only to contracts that were previously defined as lease contracts. Contracts that were not defined as lease contracts under Egyptian Accounting Standard (20) was not revaluated.

The discount rates applied to a group of lease contracts with reasonably similar characteristics - The average additional interest rate applied to the lease obligations recognized on January 1, 2021 was 11.25%.

The application of the exemption by not recognizing the assets and liabilities of the right of use asset that expire during 2021.

Excluding the initial direct cost from measuring the right of use asset on the date of its initial application.

The company has also chosen to use recognition exemptions for leasing contracts whose lease period does not exceed 12 months or less from the date of the first application and does not contain the option to purchase "short-term lease contracts" as well as low-value leasing contracts for "low-value assets".

The company has applied the Egyptian accounting standard no. (49) to recognize the assets and liabilities of the lease contract starting from January 1, 2021 calculated on the basis of the remaining period of the lease contracts, and therefore the comparative figures have not been modified.

Important provisions in determining the lease term for contracts that include renewal options

The company defines the lease term as the irrevocable period of the lease contract, along with any periods covered by the option to extend the lease contract if this right can be exercised in a reasonable degree, or any periods covered by the option to terminate the lease contract, if it is certain to exercise This right.

The company has the option under some lease contracts to lease assets for additional periods, the company applies judgment in assessing whether it is certain and to a reasonable degree to exercise the renewal option, and this means that all relevant factors that create an economic incentive to practice renewal are taken into consideration, after the start date.

3. Operating revenue

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Agency, Shipping and Discharge		21 860 821	11 739 672
Logistics revenue		59 889 885	46 580 140
Land transportation		85 060 136	74 802 299
Additional services		7 160 642	5 819 793
Storage		12 861 450	7 704 618
Free zone		68 146 761	36 704 255
Other revenues		9 420 362	6 489 511
		264 400 057	**189 840 288**

4. Operating cost

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Agency, Shipping and Discharge		16 701 373	9 385 766
Logistics cost		51 163 974	39 889 494
Additional services		5 238 374	4 037 852
Land transportation		70 514 193	65 777 909
Storage		9 838 736	6 957 564
Free zone		54 715 808	27 993 923
Other costs		7 255 935	6 836 393
		215 428 393	**160 878 901**

5. Other income

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Technical support Revenues	(28)	6 256 000	3 398 002
Other revenues		18 540	355 729
Indemnity		522 242	23 740
Board of Directors Bonuses in subsidiary and associates companies	(16)	--	893 287
Surplus resulted from (GAFI) adjustment		--	3 033 413
Capital Gains		700 526	--
Provisions no longer required		147 071	1 200 000
		7 644 379	**8 904 171**

6. Other expenses

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Formed provision	(23)	2 000 000	136 219
Symbiotic contribution for comprehensive health insurance	(24)	737 109	536 586
Others		5 955 260	609 419
		8 692 369	**1 282 224**

7. Impairment losses

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Impairment loss in the value of trade receivables and debtors	(18),(19)	696 816	164 582
Impairment loss in the value of due to related parties	(28)	311 522	237 023
Impairment loss in the value of investments in subsidiaries	(15)	--	304 940
Reversal of impairment in bank deposits	(20)	(11 261)	--
		997 077	**706 545**

8. General and administrative expenses

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Wages and salaries		25 301 323	19 921 762
Board of Directors bonuses and allowance		3 495 667	3 312 000
Depreciation of property, plant and equipment and amortization of right of use assets		6 504 434	3 330 198
Travel and transportation		2 111 812	442 285
Fees and subscriptions		413 727	593 010
Rentals		--	1 871 645
Telephone and fax		127 393	74 187
Hospitality, reception and cleaning		512 798	120 568
Professional fees		1 378 885	1 070 621
Repair and maintenance		539 541	559 475
Insurance		158 446	163 122
Utilities		306 997	356 546
Bank charges		348 622	233 579
Computer expenses		920 470	932 707
Public relations and investors		1 270 958	988 594
Others		1 279 542	1 091 859
		44 670 615	**35 062 158**

9. Investments income in subsidiaries and associates

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Investment income from Associates			
Barwill Egytrans shipping Agencies Company	(38-5), (16)	2 853 813	1 653 251
Total Investment income from Associates		**2 853 813**	**1 653 251**
Investment income from subsidiaries			
Egyptian Transport and Logistics Company (ETAL)	(38-5), (15)	7 217 364	3 352 755
Egytrans Depot solutions Company	(38-5), (15)	11 202 056	7 298 125
Total investment income from Subsidiaries		**18 419 420**	**10 650 880**
Total income resulting from financial investments in Subsidiaries and Associates		**21 273 233**	**12 304 131**

10. Finance income

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Interest revenues	(38-14-ii)	1 460 781	3 194 807
		1 460 781	**3 194 807**

11. Finance costs

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Foreign currencies exchange difference	(38-1)	350 866	334 328
Lease contracts installments interest		1 535 342	189 501
		1 886 208	**523 829**

12. Property, plant and equipment

(I/S Figures In EGP)

	Note	Land*	Building	Vehicles	Computers	Tools and Equipment	Installations	Furniture and Fixtures	Right of use assets **	Total
Cost as of January 1st , 2021		**19 722 950**	**40 903 500**	**9 246 350**	**3 466 361**	**6 397 253**	**1 417 787**	**4 721 967**	**3 192 639**	**89 068 807**
Additions during the year		--	--	--	659 482	583 654	3 156 062	955 090	474 587	5 828 875
Disposals during the year		--	--	(771 015)	(114 093)	(43 996)	(66 058)	(195 258)	--	(1 190 420)
Difference of foreign currency exchange	(38-1)	--	(50 336)	--	(152)	(673)	(415)	(3 104)	--	(54 680)
Cost as of December 31, 2021		**19 722 950**	**40 853 164**	**8 475 335**	**4 011 598**	**6 936 238**	**4 507 376**	**5 478 695**	**3 667 226**	**93 652 582**
Accumulated Depreciation As of January 1st, 2021		**--**	**29 658 107**	**3 388 231**	**2 974 771**	**6 121 024**	**1 315 463**	**3 686 813**	**1 910 924**	**49 055 333**
Depreciation during the year		--	628 910	1 589 944	310 317	59 618	13 188	190 082	955 466	3 747 525
Disposals accumulated depreciation		--	--	(771 006)	(113 652)	(43 994)	(66 050)	(191 242)	--	(1 185 944)
Difference of foreign currency exchange	(38-1)	--	(50 336)	--	1 137	(2 345)	(415)	(2 228)	--	(54 187)
Accumulated Depreciation As of December 31, 2021		**--**	**30 236 681**	**4 207 169**	**3 172 573**	**6 134 303**	**1 262 186**	**3 683 425**	**2 866 390**	**51 562 727**
Net property, plant and equipment as of December 31, 2021		**19 722 950**	**10 616 483**	**4 268 166**	**839 025**	**801 935**	**3 245 190**	**1 795 270**	**800 836**	**42 089 855**
Net property, plant and equipment as of December 31, 2020		**19 722 950**	**11 245 393**	**5 858 119**	**491 590**	**276 229**	**102 324**	**1 035 154**	**1 281 715**	**40 013 474**
Fully Depreciated Assets and still in use as of December 31, 2021		**--**	**26 283 901**	**683 136**	**2 639 881**	**5 801 165**	**1 235 471**	**2 864 187**	**--**	**39 507 741**
Cost as of January 1st , 2020		**19 722 950**	**41 406 862**	**8 777 666**	**3 290 062**	**6 395 779**	**1 321 725**	**4 461 844**	**3 192 639**	**88 569 527**
Additions During the Year		--	--	468 684	177 562	4 474	100 214	290 519	--	1 041 453
Difference of foreign currency exchange	(38-1)	--	(503 362)	--	(1 263)	(3 000)	(4 152)	(30 396)	--	(542 173)
Total Cost as of December 31, 2020		**19 722 950**	**40 903 500**	**9 246 350**	**3 466 361**	**6 397 253**	**1 417 787**	**4 721 967**	**3 192 639**	**89 068 807**
Accumulated Depreciation As of January 1st, 2020		**--**	**29 532 559**	**1 860 168**	**2 709 557**	**6 007 210**	**1 313 588**	**3 531 743**	**955 462**	**45 910 287**
Depreciation during the year		--	628 910	1 528 063	266 300	117 023	6 027	184 943	955 462	3 686 728
Difference of foreign currency exchange	(38-1)	--	(503 362)	--	(1 086)	(3 209)	(4 152)	(29 873)	--	(541 682)
Accumulated Depreciation As of December 31, 2020		**--**	**29 658 107**	**3 388 231**	**2 974 771**	**6 121 024**	**1 315 463**	**3 686 813**	**1 910 924**	**49 055 333**
Net property, plant and equipment as of December 31, 2020		**19 722 950**	**11 245 393**	**5 858 119**	**491 590**	**276 229**	**102 324**	**1 035 154**	**1 281 715**	**40 013 474**
Net property, plant and equipment as of December 31, 2019		**19 722 950**	**11 874 303**	**6 917 498**	**578 856**	**388 569**	**8 137**	**931 750**	**2 237 177**	**42 659 240**
Fully Depreciated Assets and still in use as of December 31, 2020		**--**	**26 309 069**	**1 195 765**	**2 290 294**	**5 841 469**	**1 301 737**	**2 934 125**	**--**	**39 872 459**

* Land represents acquisition cost of new administrative building in fifth settlement according to final sale contract dated February 4th 2018 and it has been authenticated in company's name.

**Rights of use Assets represent:

Rent of "5" head tractors Mercedes and "2" semi-trailer from corelease corporate leasing company for financial lease in addition to "2" photocopiers Xerox from incolease company for financial lease information as following:

(I/S Figures In EGP)

Description	Contractual Rental value	Accured Interest	Contract duration	Purchasing Value at the contract termination date	Rent Value
"5" head tractors Mercedes	4 851 163	1 102 149	60	1	190 433 per quarter
"2" semi-trailer	1 273 556	331 213	60	1	57 228 per quarter
"2" photocopiers Xerox	240 000	68 092	60	1	4 000 monthly
Subaru car	556 780	133 872	20	1	27 839 per quarter

13. Intangible assets

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Oracle ERP System	2 047 012	2 047 012
OTM program	2 698 490	2 698 490
Voip program	429 623	429 623
Programs and other Assets	685 258	615 433
	5 860 383	**5 790 558**
Deduct:		
Accumulated Amortization at the beginning of the year	(4 922 490)	(4 223 726)
Amortization during the year	(699 379)	(698 764)
Accumulated Amortization at the end of the year	**(5 621 869)**	**(4 922 490)**
Net intangible Assets	**238 514**	**868 068**

14. Projects under construction

(I/S Figures In EGP)

	31/12/2021	31/12/2020
New Administrative Building at Alexandria *	21 685 900	3 171 125
Installations -branches of the company	806 603	--
Vehicles and transportations**	20 254 153	--
	42 746 656	**3 171 125**

* The account is represented in the cost of acquiring a new administrative building for the company in Alexandria, as according to the rule number 44 from listing and delisting securities rules in the Egyptian stock market regarding acquiring property, plant and equipment as its value represents more than 10% from the equity, a feasibility study was reconducted by independent financial consultant authenticated by Financial Regulatory Authority concerning the pervious matter, as a report was issued by the auditor in this matter

** The vehicles account is represented in purchasing 3 Chevrolet cars, 15 tractors and 15 trucks, as currently the preparations of the cars and the installation of their cases are in progress.

15. Investments in subsidiaries

(I/S Figures In EGP)

	Percentage Paid from investment	Percentage of contribution	31/12/2021	31/12/2020
The value of the company's contribution in the capital of Egyptian Transport and Logistics Company (ETAL) (S.A.E)	100%	99.99%	63 172 000	63 172 000
The value of the company's contribution in the capital of Egytrans Depot Solutions Company (equivalent to $ 1 999 790) (S.A.E)	100%	99.99%	11 879 750	11 879 750
The value of the company's contribution in the capital of Egytrasn river ports Company (under liquidation) (S.A.E)	100%	99.99%	249 970	249 970
The value of the company's contribution in the capital of Egytrans Bargelink Company (under liquidation) (S.A.E)	100%	99.99%	249 970	249 970
			75 551 690	**75 551 690**
Deduct:				
Impairment loss in the value of investment			(499 940)	(499 940)
			75 051 750	**75 051 750**

Brief information about subsidiaries are as follows:

Subsidiary company	Egyptian transport and logistics company (etal)	Egytrans depot solutions company	Egytrans Bargelink Company	Egytrans
	LE	US Dollar	River Ports Company	LE
	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021
Statement of financial position				
Assets				
Non-current Assets	62 350 878	1 264 832	--	--
Current Assets	19 563 811	2 078 748	--	--
Total Assets	**81 914 689**	**3 343 580**	**--**	**--**
Liabilities and shareholder's equity				
Shareholder's equity				
Paid up Capital	61 000 000	2 000 000	250 000	250 000
Legal reserve	2 206 356	113 439	7 594	140 357
Retained (losses)	--	--	(196 127)	(682 633)
Net (loss) / profit for the year ended December 31, 2021	(304 833)	766 297	(198 080)	(228 697)
Total Shareholder's equity	**62 901 523**	**2 879 736**	**(136 613)**	**(520 973)**
Non-Current liabilities	**11 086 484**	**69 974**	**--**	**--**
Current liabilities	**7 926 682**	**393 870**	**136 613**	**520 973**
Total liabilities and Shareholder's equity	**81 914 689**	**3 343 580**	**--**	**--**
Profit or loss statement				
Revenues	21 182 478	1 552 003	--	--
Operating cost	(14 466 323)	(306 106)	--	--
Gross profit	**6 716 155**	**1 245 897**	**--**	**--**
(Deduct) / Add:				
General and administrative expenses	(6 408 202)	(305 405)	--	(224 520)
Impairment losses	(276 383)	(132)	--	--
Other expenses	(53 222)	(4 033)	(198 080)	(4 177)
Other revenues	2 588	2 508	--	--
Net finance income	102 312	52 239	--	--
Net profit / (loss) before tax	**83 248**	**991 074**	**(198 080)**	**(228 697)**
Income and deferred tax	(388 081)	(224 777)	--	--
Net profit /(loss)	**(304 833)**	**766 297**	**(198 080)**	**(228 697)**

16. Investments in associates

(I/S Figures In EGP)

	Percentage Paid from investment	Percentage of contribution	31/12/2021	31/12/2020
The value of the company's contribution in the capital of Damietta Feeder Terminal Company (DFTC) (S.A.E)	100%	20%	885 000	885 000
The value of the company's contribution in the capital of Barwill Egytrans Shipping Agencies Company (S.A.E)	100%	30%	600 000	600 000
The value of the company's contribution in the capital of Scan Arabia Shipping Agencies Company (S.A.E)	100%	30%	225 000	225 000
			1 710 000	**1 710 000**
Deduct:				
Impairment loss in the value of investments			(1 110 000)	(1 110 000)
			600 000	**600 000**

17. Inventory

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Vehicles		4 444 600	3 920 000
Other		155 466	89 361
		4 600 066	**4 009 361**

18. Trade and notes receivable

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Trade receivables		67 920 374	66 432 530
Notes receivable		669 289	55 139
		68 589 663	**66 487 669**
(Deduct):			
Impairment loss in the value of Trade and Notes receivable*		(2 527 680)	(1 846 610)
		66 061 983	**64 641 059**

* Impairment loss in the value of Trade receivables and Notes receivables:

(I/S Figures In EGP)

	Balance as of 1/1/2021	Formed During the year	Used During the year	Balance as of 31/12/2021
Impairment loss in the value of Trade and Notes receivables	1 846 610	681 779	(709)	2 527 680
	1 846 610	**681 779**	**(709)**	**2 527 680**

19. Debtors and other receivables

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Advance suppliers		1 633 364	170 663
Accrued Revenue		5 364 370	4 345 190
Deposits held with others		927 019	908 835
Letter of guarantee Covers	(30)	8 486 243	8 759 476
Official receipts debtors		13 800 344	10 829 771
Tax Authority *	(36)	12 708 810	12 175 256
Prepaid Expenses		1 483 640	1 305 090
Other Debtors		585 139	493 029
		44 988 929	**38 987 310**
Deduct:			
Impairment loss in the value of debtors		(294 526)	(9 071)
		44 694 403	**38 978 239**

* This balance includes an amount of LE 12.7 Million which represent advance payments paid for income tax where the company has registered in the advance payment system according to the approval issued from large tax payers center.

20. Cash on hand and in banks

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Bank Current Accounts		30 615 051	44 720 069
Time deposits *		4 898 294	30 721 518
Cash on hand		840 469	1 448 840
		36 353 814	**76 890 427**
(Deduct):			
Pledged Time deposits against Letter of Guarantee*	(30)	(4 898 294)	(2 229 518)
Cash and Cash equivalent for the purpose of separate statement of cash flow		**31 455 520**	**74 660 909**
(Deduct):			
Impairment loss in bank deposits balances		(59 712)	--
Cash and cash equivalent		**31 395 808**	**74 660 909**

* Time deposits in local currency in the amount of LE 4 898 294 representing time deposits at bank Audi, Commercial International Bank Egypt and (Saib) against letters of guarantee issued by the company.

21. Capital share

21-1 Authorized capital

The authorized capital amounting LE 1 billion represented in 200 million shares of a par value LE 5 / share and this after its increase from LE 100 Million to LE 1 billion according to the Extraordinary General Assembly decree dated December 6, 2009 and the authorized capital has been registered in the Commercial register.

As the Extraordinary General Assembly held on December 16,2021 agreed on reducing the authorized capital to be LE 750 Million, as currently the legal and administrative procedures are undertaken to be authenticated.

21-2 Issued and paid up capital

Issued and paid-up capital amounted to LE 156 062 500 represented in 31 212 500 share of a par value LE 5 / share

According to the Extraordinary General Assembly decree dated March 30, 2014 the shares par value was modified to be L.E 5, instead of L.E 10. Therefore the issued and paid up capital will be LE 156 062 500, divided over 31 212 500 shares of L.E 5 par value each.

The Extraordinary General Assembly meeting held on December 6, 2009 approved to increase the issued capital by L.E 200 million to be L.E 256 062 500 divided into 25 606 250 shares of L.E 10 par value each. The board of directors was delegated to call the capital increase according to projects time schedule. The board of directors decided to call only L.E 100 million which was paid in full according to Arab African Bank's letter. This increase was registered in the commercial register on April 14th, 2010 rendering the paid-up and issued capital to be L.E 156 062 500.

According to the Board of directors meeting held on November 21,2021, the Board of directors decided to approve on splitting the nominal value per share, to become with a value of LE 1 instead of LE 5, as the company's Extraordinary General Assembly held on December 16, 2021 approved the splitting of the Nominal value per share, as the legal and administrative procedures are in progress to be authenticated

The company's capital structure is as follows as of December 31, 2021:

(I/S Figures In EGP)

Share holder's	Nationality	No. of shares	Contribution Percentage	Par value of shares
National Investment Bank	Egyptian	7 882 030	25.25%	39 410 150
Mr. Mohamed Ashraf Omar Omar	Egyptian	6 414 247	20.55%	32 071 235
Mr. Raed Ben Abdelrahman Abdelaziz Elmeshael	Saudi Arabian	3 185 041	10.20%	15 925 205
Mr. Mohamed Ismail Hosny	Egyptian	3 428 000	10.98%	17 140 000
Advanced projects and systems company ADCOM	Egyptian	178 201	0.57%	891 005
Ms. Abir Wael Sedeek Leheta	Egyptian	1 490 876	4.78%	7 454 380
Ms. Heba Wael Sedeek Leheta	Egyptian	1 325 184	4.25%	6 625 920
Ms. Amani Wael Sedeek Leheta	Egyptian	1 076 088	3.45%	5 380 440
Other shareholders	Egyptian	6 232 833	19.97%	31 164 165
		31 212 500	**100%**	**156 062 500**

22. Reserves

22-1 Legal reserve

According to the Company's bylaws , 5% of the net profit is set aside to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital, if the reserve falls below the defined percentage then the Company is required to continue setting aside more reserves.

The legal reserve has been endorsed with an amount of LE 693 436 rom the net profit for the financial year ended December 31, 2020 according to the company's Ordinary General Assembly decree dated March 30, 2021 to reach an amount of LE 15 153 592 at December 31, 2021.

22-2 Capital Reserve

Reserves other than legal reserve are used or endorsed based on the board of directors' proposals and the approval of the company's General Assembly and the reserve recognized in the financial statements was formed based on the approval of the General Assembly during the previous years, which amounted to LE 4 000 000 at December 31, 2021.

22-3 Reserve translation differences

The reserve translation differences consist of an amount of EGP 2 699 239 at the beginning of January 2021 which represent the loss of foreign currency differences resulted from the translation of the financial statement for the free zone branch .

22-4 The impact of the initial implementation of the accounting standard number "47" financial instruments

The retained earnings balance as of January 1, 2021 reduced by LE 341 389 as a result of implementing the Egyptian accounting standard number "47" Financial Instruments.

23. Provisions

(I/S Figures In EGP)

	balance as of 1/1/2021	Formed during the year	Provisions No Longer	Balance as of 31/12/2021
Provision for claims	545 256	2 000 000	(147 071)	2 398 185
	545 256	**2 000 000**	**(147 071)**	**2 398 185**

The provision for claims represent the value of claims for undetermined liabilities and amount in respect of the Company's activities. The management reviews these provisions annually and adjusts the amount of the provision in accordance with the latest developments, discussions and agreements with those parties and the formed provision is recognized at the separate profit or loss statement.

The information regarding the provision has not been clarified as usual in the disclosure according to the E.A.S number (28) "provisions, contingent assets and contingent liabilities" as the company's management believes that it will have a relevant effect on final adjustments on contingent claims.

24. Trade and other payables

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Trade payables		16 151 864	12 023 624
Notes payables	(25-2)	5 990 262	24 424
Agents- credit balances		551 641	16 425 893
Customers- advance payments		11 522 490	33 085 430
Accrued expenses		6 477 908	5 546 464
Deposits from others		3 239 541	2 346 689
General Authority for social insurance		361 366	350 195
Tax authority		1 159 304	1 689 530
Symbiotic contribution to the comprehensive health insurance system		730 808	530 630
Payables- others		2 128 890	981 446
		48 314 074	**73 004 325**

25. Notes payable

25-1 Long term notes payables

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Long term notes payables		26 272 766	--
Deduct:			
Long term deferred interest expense		(3 022 741)	--
		23 250 025	**--**

25-2 Short term notes payables

(I/S Figures In EGP)

	note No.	31/12/2021	31/12/2020
Short term notes payables		7 719 050	24 424
Deduct:			
Short term deferred interest expense		(1 728 788)	--
		5 990 262	**24 424**

26. Long term lease contracts

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Balance at the beginning of the year	(12)	946 527	1 774 501
Deduct:			
Paid during the year		(777 933)	(827 974)
Balance at the end of the year		**168 594**	**946 527**
Deduct:			
Installments due within one year		(168 594)	(777 934)
Long-term lease contracts balance at the end of the year		--	**168 593**

27. Assets and lease liabilities

27-1 Right of use of assets

Right of use represented in leasing the company's premises port said, airport and company's administrative building at Merghem branch:

(I/S Figures In EGP)

	31/12/2021
Balance as of January 1, 2021	--
Additions during the year	7 574 743
Balance as of December 31, 2021	**7 574 743**
Amortization	
Balance as of January 1, 2021	--
Amortization during the year	(3 055 422)
Balance as of December 31, 2021	**(3 055 422)**
Net book value as of December 31, 2021	**4 519 321**

The Egyptian Accounting Standard No. (49) has been applied during the year. Right of use assets and lease liabilities recognized from the beginning of January 1st, 2021. And the right of use assets' additions represented in leasing company's headquarters port said, airport and company's administrative building at Merghem branch.

27-2 Lease contracts liabilities

The present value of total liabilities from right of use amounted as following:

(I/S Figures In EGP)

	31/12/2021
Total of non paid lease liability	10 415 424
Lease contracts interests	(2 840 681)
Net present value of lease liability from right of use	**7 574 743**
Deducted:	
Payments during the year	(2 628 876)
Balance	**4 945 867**
Deducted:	
Current portion of lease liability	(1 867 700)
Non current portion of lease liability	**3 078 167**

27-3 Effect on profit or loss statement

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Right of use of assets amortization during the year		3 055 422	--
Interest expense from lease liability	(11)	736 487	--
Rent expenses		--	2 778 877
		3 791 909	**2 778 877**

28. Related parties transactions

Transactions with related parties represent the company's transactions with companies that the company and the companies owned by its shareholders have a significant influence and control and board of directors members. Prior approval on these transactions was obtained from the General Assembly.

Transaction balances with related parties are presented as follow:

28-1 Due from Related Parties

(I/S Figures In EGP)

	Relationship	Nature of Transactions	Value of Transactions	Balance as of 31/12/2021	Balance as of 31/12/2020
Egytrans River ports company	Subsidiary	Financial transactions	228 076	465 099	237 023
Damietta Feeder Terminal Company	Associate	--	--	964 185	964 185
Barwil Egytrans Shipping Agencies	Associate	Dividends	2 853 813	574 221	--
		Technical support	535 914		
		Financial transactions	(2 815 506)		
Egytrans Bargelink For Transportation	Subsidiary	Financial transactions	197 454	83 448	--
				2 086 953	**1 201 208**
Deducted:					
Impairment in the value of due from related parties				(1 512 730)	(1 201 208)
				574 223	**--**

28-2 Due to Related Parties

(I/S Figures In EGP)

	Relationship	Nature of Transactions	Value of Transactions	Balance as of 31/12/2021	Balance as of 31/12/2020
Egyptian transport and logistics company (etal)	Subsidiary	Transport invoices	20 426 929	13 758 484	18 624 403
		Technical support	(4 440 105)		
		Financial transactions	(13 635 379)		
		Dividends	(7 217 364)		
Egytrans depot solutions company	Subsidiary	Technical support	(2 153 070)	23 146 766	404
		Dividends	(11 202 056)		
		Financial transactions	36 501 488		
Egytrans Bargelink For Transportation	Subsidiary	Financial transactions	197 454	--	114 006
Board of directors and committee members	Board of directors and committees	Attending board of directors' meetings and committees*	396 150	396 150	346 750
				37 301 400	**19 085 563**

* The amounts represent the value of attending board of directors committees work for the non- executive and independent committee experienced members and are approved from the company's Ordinary General Assembly held on March 30,2021.

29. Tax

29-1 Income tax

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Current income tax expense	--	458 917
Deferred tax expenses / (revenues)	433 253	(51 653)
Dividend tax – revenue from investment in subsidiaries and associates	2 125 891	618 878
	2 559 144	**1 026 142**

29-2 Deferred tax assets and liabilities

A. Recognized deferred tax assets and (liabilities)

(I/S Figures In EGP)

	31/12/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Deferred tax				
Property, plant and equipment	--	1 084 062	--	717 647
Right of use assets	--	142 255	--	75 417
Total of deferred tax resulted in liability	--	**1 226 317**	--	**793 064**
Net of deferred tax resulted in liability	--	**1 226 317**	--	**793 064**
Deducted:				
Deferred tax previously charged to the separate profit or loss statement		(793 064)		(844 717)
Deferred tax included in the separate profits or losses statement for the year		**433 253**		**(51 653)**

B. Unrecognized deferred tax assets

The deferred tax assets are not recognized in the following items:

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Impairment in due to related parties	340 364	270 272
Impairment in trade and noted receivables and other debit balances	648 431	417 528
Provisions	539 591	122 683
Impairment in the value of investment in subsidiaries and associates	362 237	362 237
	1 104 431	--
Total	2 995 054	1 172 720

The deferred tax assets related to these items are not recognized as the conditions for the tax deduction are not met, or the lack of appropriate level of assurance that these assets can be benefited from.

29-3 Reconciliation of effective tax rate

(I/S Figures In EGP)

		31/12/2021		31/12/2020
Net profit before tax		**21 097 116**		**14 894 852**
Tax rate		22.5%		22.5%
Income Tax for accounting profit		**4 746 851**		**3 351 341**
Depreciation effect		256 080		841 043
Foreign currency exchange differences		(330 128)		4 599 378
Reversed impairment in trade and other receivables and investments and due from related parties		997 077		717 633
Formed provisions		2 000 000		136 219
Provisions reversed		(147 071)		(1 200 000)
Free zone net profit		(11 425 052)		(10 657 634)
Symbiotic contribution to the comprehensive health insurance		737 109		535 636
Deferred tax effect		6 834 154		2 829 196
Other additions		7 061 573		6 517 674
Other deductions		(3 882 056)		(5 099 803)
Tax base		**23 198 802**		**14 114 194**
Exemptions (investments revenues)		**(21 273 233)**		**(12 304 131)**
Net Tax Base	22.5%	1 925 569	22.5%	1 810 063
Tax according to profit or loss statement		**433 253**		**407 264**
Effective tax rate		**2.05%**		**2.73%**

29-4 Income tax

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Current income tax	--	458 917
Advance payments-tax authority	(699 794)	(3 017 362)
Accrued interest on advance payment – tax authority	(88 967)	(268 206)
	(788 761)	**(2 826 651)**

30. Contingent liabilities

The value of contingent liabilities represented the value of uncovered letters of guarantees from company's bank accounts to others except the value of letters of guarantees covered with time deposits are represented as follows:

(I/S Figures In EGP)

	31/12/2021	31/12/2020
The letters of guarantees in EGP	23 543 663	13 148 663
The letters of guarantees in USD	64 117	64 117
The letters of guarantees in Euro	10 000	10 000

31. Capital commitments

The capital commitments amounted to zero at December 31, 2021. (comparing to LE 26 Million at the comparative year).

32. Non-monetary transactions

For the preparation of the cash flow statement purposes the following change value of assets and liabilities elements is disposed and as the non-cash transaction is represented as follows:

(I/S Figures In EGP)

	Note No.	31/12/2021
Dividends payables		289 399
Retained earnings		289 399
Right of use of assets	(27-1)	7 574 743
Lease contracts liabilities	(26),(27-2)	7 574 743
Notes payables	(25)	31 984 354
Deferred interest expenses	(25)	(4 751 528)
Projects under progress	(14)	27 232 826
Retained earnings		(341 391)
Trade and other receivables	(18)	(270 418)
Cash and cash equivalent	(20)	(70 973)
Right of use of assets	(12)	474 587

33. Objectives and Policies of Financial Instruments Risk Management

The company is subject to the following risks resulting from using the financial instruments:

1. Credit risk
2. Market risk
3. Liquidity risk

This note introduce information about the company's exposure to the risks mentioned above, and the company's objectives , policies and operations regarding the risks' measurement and management.

The company's board of directors bears the responsibility of developing a framework for risks management and the company's top management bears the responsibility of developing and adopting the risk management policies and submitting reports to the board of directors which includes the company's activities on regular basis.

The current financial risk management framework in the company is a combination of risks management policies officially authenticated in certain fields and from risk management policies which are not officially authenticated, used in others fields.

A. Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of the failure of the customer or counterparty to a financial instrument to fulfil its contractual obligations, and arises mainly from trade receivables of customers, notes receivables, due from related parties, in addition to its financial activities including the banks' balances.

Trade and notes receivables

The credit risk arises based on a policy, procedure, the company's control system regarding risk management, the customers' credit ability is measured based on the credit card performance for each customer and a credit limit is determined based on this assessment and the company's revenues is related to the customers with high financial solvency in addition a part of the company's revenues is collected in cash once the service is performed, the customers' outstanding balances are controlled regularly. The company perform an impairment study in each financial year.

The maximum limit to be exposed to these risks is restricted with the balances detailed (Note no18,19) after deducting the prepaid expenses, advance to suppliers and tax authority balances.

Other financial assets and cash time deposits

Considering the credit risk resulted from the company's other financial assets with the amortized cost, the company is exposed to credit risks due to the failure of the counterparty to fulfill the maximum limit payment to be equivalent to the assets' book value.

The financial sector is responsible of credit risks management arising from banks balances, the company limits its exposure to credit risks through deposit balances at banks with a good reputation. The local banks are subject to central bank supervision, so the credit risk exposure limit is restricted with the balances detailed in (Note No.20).

Due from related parties

The due from related parties is considered with minimum credit risk limit and the maximum exposure is equivalent to its book value.

Investment

The company limit its exposure to credit risk through preparing a detailed investment study which is revised by the company's board of directors. The company has no expectation about the failure of any counterparty to fulfill its obligations.

B. Market risk

The market risks generated from fluctuation of the fair value for the company's financial instrument future cash flows as a result of the changes in the market prices, such as foreign currencies exchange rates risk and interest rates risk, as those risks effect the company's income, and the financial instruments that is affected by market risks include the loans with an interest and time deposits, as the aim from managing the market risks is managing and controlling the risks within an acceptable range, as in the same time achieving profitable returns. The company does not maintain or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk generated from fluctuation of the fair value or company's financial instrument future cash flows as a result of the changes in the interest rates in the market. As the company's exposure to the risk of interest rate in market is directly attributable mainly to the company's liabilities with a variable interest rate and time deposits with interest.

The company's financial instruments interest rate, is demonstrated at the date of the separate financial statement:

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Financial instruments with variable interest rate		
Financial assets	36 353 814	76 890 427
Financial liabilities	5 114 461	946 527

The exposure to foreign currency exchange rate:

As shown in the table below to what extent a potential acceptable change in USD and Euro exchange rates. Maintaining all the other variables consistent, the impact on the company's dividends before the company is subject to tax, is due to the changes in the value of cash assets and liabilities.

The changes in the other foreign currency exchange rate are not significant.

The cash liabilities and assets with a foreign currency is equivalent to LE 48 119 559 and LE 49 223 649 as of the financial position date, (2020: LE 30 022 883 and LE 50 543 597) respectively as illustrated in the detailed net foreign currency exchange at the financial position date:

(I/S Figures In EGP)

	31/12/2021 Surplus / (shortage)	31/12/2020 (Shortage) /Surplus
Foreign currency		
USD	(533 738)	(1 565 390)
Euro	225 232	86 203
Pound Sterling	68 910	80 808
Swedish kroner	1 104 569	984 731
Chinese yuan	(81 737)	(491 872)

c. Liquidity risk

The Company's management issues the cash flows, and the requirements of financing and liquidity related to the company. As the company's aim is to achieve a balance between the continuity of the financing and the flexibility through acquiring bank facilities in case of requiring it. As the company manage the liquidity risk through maintaining a sufficient reserve, as monitoring the expected and actual cash flows on a continuous basis and reconciling between the accrual of financial assets and liabilities.

The company has a sufficient cash for paying their expected operating expenses, including the financial liabilities.

As the table below summarize the company's financial liabilities due dates according to the nondeductible contractual installment.

(I/S Figures In EGP)

In December 31, 2021	Book value	Less than year	From 1 to 2 years	From 2 to 5 years and more
Trade payables and other credit balances	34 540 106	34 540 106	--	--
Lease contracts liabilities	5 114 461	2 036 294	194 895	2 883 272
Other liabilities	60 551 425	60 551 425	--	--
Total	**100 205 992**	**97 127 825**	**194 895**	**2 883 272**

In December 31, 2020	Book value	Less than year	From 1 to 2 years	From 2 to 5 years and more
Trade payables and other credit balances	37 348 540	37 348 540	--	--
Lease contracts liabilities	946 527	777 934	168 593	--
Other liabilities	19 085 563	19 085 563	--	--
Total	**57 380 630**	**57 212 037**	**168 593**	**--**

34. Capital management

The objectives of the Company in managing capital include capital, issued capital and all other equity reserves regarding the company shareholders.

As the company manages the capital structure and adjusts it according to the changes in work conditions to face changes in company's activities, No change has been proceeded on the company's goal, polices or operations during the year, the company isn't subject to any external requirements imposed on the company's capital.

35. Goverance Situation Improvement

The company practices and implements the principles of corporate governance to arrange the relationship between the company's management, Board of directors, Stakeholders and other shareholders by creating a system that achieves transparency and equity as since year 2006 the company prepared several effective policies like the disclosure policy, controlling the internal trading of shares policy , authority succession policy, compensatory controls policy and risks policy also the company prepared its own corporate governance framework, these policies are reviewed annualy to ensure its effectiveness as well as the board of directors framework in which all members have to comply with in addition to the continuous disclosure of all the substantial events that take place as they happen to the financial statements users through the stock exchange's disclosure department or the company's relations website.

36. Tax status

According to the tax position received from the independent tax consultant, the tax position at December 31, 2021 as follows:

Tax on profits of Juridical persons (corporate tax):

The company submits its tax return of corporate tax to the competent tax authority annually in its legal due date. In addition, it pays the due tax as per these tax returns – if any – In general, in accordance with the tax system applied in Egypt the accrued final tax obligation to the tax authority will not be accurately determined unless after the tax inspection by the tax authority and the determination of final assessment.

Years from the start of business till 2016:

Tax inspection was performed to the company and all disputes were settled according to the committees' decisions issued for this matter, and there is no due tax for this period.

Period from 2017 / 2020:

A tax inspection was requested for these years and the documents are prepared and submitted to the tax authority and the inspection is taken place.

Second: Payroll Tax:

Years from the start of business till 2016:

Tax inspection was performed by the specialized tax authority and finalized all the disputes according the committee's decisions regarding this matter and there is no due tax differences on the company for this period.

Years from 2017 till 2020

The company satisfies all the tax obligations in term of deducting and paying the tax monthly according to the articles of law and there is no request to inspect this period.

Third: Stamp tax:

Years from the start of business till 2018:

Tax inspection was performed, and all disputes were finalized and there is no due tax for this period.

Years 2019/2020

A tax inspection was requested for these years and the documents are prepared and submitted to the tax authority and the inspection is taken place

Fourth: Sales tax / Value added tax:

Years from the start of business till 2015:

Tax inspection was performed, and all disputes were finalized and there is no due tax differences for this period.

Years from 2016 till 2019

Tax inspection was performed, the company has appealed on the tax inspection, the case was transferred to the internal committee at Large taxpayers center.

Year 2020

Tax inspection wasn't performed

Fifth: Real Estate tax:

Tax payment is performed on regular basis according to claims received related to this matter.

37. Basic earnings per share

The earnings per share was determined from the net profit for the financial year ended December 31, 2021 assuming no dividends have been distributed as follows:

(I/S Figures In EGP)

		31/12/2021	31/12/2020
Net Profit of the Year		18 537 972	13 868 710
(Deduct):-			
Employees share in profit for the year (suggested) / actual		--	(2 793 711)
Board of directors bonus (suggested) / actual		--	(1 734 028)
Distributable net profit of the year		**18 537 972**	**9 340 971**
Average number of outstanding shares during the year	(Share)	31 212 500	31 212 500
Earnings per share	**(LE/Share)**	**0.59**	**0.3**

38. Significant Accounting Policies

The accounting policies set out below are applied consistently to all financial years presented in these financial statements. (except as otherwise stated -Note 2-6).

38-1 Foreign currency translation

Records of the company are maintained in Egyptian pound. Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the separate financial statements date are translated to Egyptian Pound at the prevailing exchange rate at that date, resulted foreign currency differences are charged to the separate profit or loss statement, non-monetary assets and liabilities are translated at historical rate prevailing at the date of transaction and foreign currency differences resulted from transaction and translation are charged to separate profit or loss statements.

Financial statements for the company's branch (Egytrans project for free zone services)

The company's branch (Egytrans project for free zone services) maintains its accounts in USD. For the purpose of the preparation of the separate financial statements, the assets and liabilities are translated to Egyptian pounds using the closing rate at the separate financial statement date, the profit or loss statement items are translated using the average exchange rate during the financial year in which the profit or loss statement was prepared. The differences resulted from the financial statements' translation are included in sperate shareholder's equity of the financial statements in the other comprehensive income items.

For the purposes of cash flow statement preparations, the separate cash flow statement is translated for the mentioned sector using the average exchange rate during the financial period.

38-2 Property, plant and equipment and depreciation

i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items included in property, plant and equipment.

ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item after deducting the replaced part cost if it is probable that the future economic benefits embodied with the part will flow to the company and its cost can be measured reliably. All other costs are recognized in the profit or loss statement as an expense as incurred.

iii) Depreciation

Depreciation is charged to the separate profit or loss statement on a straight-line basis over the estimated useful lives of each part of property, plant and equipment as reflecting the leverage of the economic benefit for assets. Land is not depreciated. The management reviewed the remaining useful life for the Property, Plant and equipment periodically to be matched with the prior estimated life, if material discrepancies are found, the depreciation will be calculated over the remaining useful life for these assets.

The estimated useful life for each type of property, plant and equipment are as follows:

Description	Estimated Useful Life (Year)
Buildings	10-50
Installations	5
Furniture and Office Equipment	10
Computers	4
Machinery and Equipment	10
Vehicles	5

iv) The profit and losses resulted from the property, plants and equipment's disposals are determined from comparing the collections from the disposal operation with asstes' book value and are charged to the separate profit or loss statement in the income and other operating expenses item.

38-3 Intangible Assets

Initial Recognition and Measurement

This item represents the value of the cost of obtaining programs expected to be benefited from through selling or operating, and it is recognized with the cost less the accumulated amortization and losses resulted from the impairment value. The item started to be amortized after the completion of its preparation based on the assumption prepared by the company's management which is prepared based on the expected benefits from the sales or operation of the programs and the study is reperformed to ensure that the programs will result in future benefits and its ability to be sold and operate. The programs are amortized using straight line method in case of future benefits. In case of the absence of future benefits the programs are recognized in the separate profit or loss statement as expense when they are incurred and the amortization is charged to the programs' operations costs.

According to the remaining useful life of the intangible assets study concerning restating the remaining and estimated useful life for the intangible assets, as some useful lives are restated for some items regarding the assets with the estimation of new useful lives starting from the first of January 2020 as the net increase in the deprecation expense resulted as of December 31,2020 amounting LE 295 770.

The estimated useful life for each type of the property, plant and Equipment are as follows:

	Intangible Assets Estimated Useful Life
OTM Program	7 years
Other computer programs	5-10 years

38-4 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable essential for preparation of the asset to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment when they are completed and are ready for their intended use and available to its intended use.

38-5 Investments

38-5-1 Investments in Subsidiaries

Investments in subsidiaries are recognized by their cost less impairment in their values. At the separate financial statements date, these investments are evaluated, in case of the existence of permanent impairment in the recoverable amount of these investments, the related investments are reduced by the impairment loss, and charged to the separate profit or loss statement. And in case of increase in the fair value of the investment in the subsequent periods, it is to be added within the limitation of the amounts previously recognized in the separate profit or loss statements for prior financial years.

38-5-2 Investments in Associate

Investment in associates are investments in companies at which the company has a significant influence, but it is neither a subsidiary company nor a share in a joint venture. The existence of a significant influence is assumed when the investor owns a percentage of 20% or more of the voting rights of the investee directly or indirectly through its subsidiaries, except for the cases in which the ownership does not represent a significant influence or on the other hand, the investor owns directly through its subsidiaries a percentage less than 20% of voting rights of investee, so, it is assumed that the investor does not have a significant influence in it unless the existence of this influence was proved, it is noted that the ownership of majority of shares does not necessarily prevent that another investor would have a significant influence on the investee.

Investment in associates is accounted for in the separate financial statement at cost including acquisition cost. In case of impairment in the value of those investments, the book value of each investment individually would be adjusted by this impairment and charges to the profit or loss statement. Impairment loss is reversed only to the extent that the asset's book value that would have been determined if no impairment loss had been recognized.

38-6 Financial instruments

1- Recognition and initial measurement

Other current assets are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2- Financial assets the policy applied from January 1, 2021

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL (if any).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in this case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not previously designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.
- All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment the policy applied from January 1, 2021.

- The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
  - How the performance of the portfolio is evaluated and reported to the Company's management; and
  - The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
  - How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
  - The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

- Financial assets that are held for trading or are managed (if any) and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

Standards implemented from January 1st , 2021

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at FVTPL (If any)	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost (if any)	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI (if any)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI (if any)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

1. Financial assets -Policy applied before January 1, 2021

The Group classifies financial assets into one of the following classifications:

Loans and debts

- Investments held to maturity
- Investments available for sale
- At fair value through profit or loss

Financial assets -Subsequent measurement and gains and losses: Policy applied before January 1, 2021

Financial assets classified at FVTPL (If any)	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost (if any)	The amortized cost is measured using the effective interest method.
Financial assets at available for sale	Financial assets are measured at fair value. Changes in fair value other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the accumulated gain or loss recognized in OCI is reclassified to consolidated statement of income.

2. Financial liabilities -Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

38-7 Inventory

Inventory are measured at lower of cost or net selling value(the cost of free zone branch inventory is determined according to the initial supplier invoice) and the weighted average is used for requistion pricing.

38-8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, banks' current accounts, time deposits and banks overdrafts that are repayable on demand and form an integral part of the company's cash management for the purpose of preparing the cash flow.

38-9 Impairment

1) Non-derivative financial assets

Standard implemented from January 1st , 2021.
Financial instruments and contract assets
The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as releasing security (if any is held); or
- The financial asset is more than 180 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Standards implemented before January 1st , 2021
Non-derivative financial assets
Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a Company of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets at amortized cost (If any)	The Company assessed evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by Companying together assets with similar risk characteristics. In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
Equity- accounted investees (If any)	Impairment losses in equity-accounted investees are measured by comparing their carrying amount with the recoverable amount, and the impairment losses are recognized in profit or loss and the impairment loss is reversed when preferential changes occur in the estimates used to determine the recoverable amount.
Financial assets FVOCI (If any)	Impairment losses on Financial assets FVOCI are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale in profit or loss are not reversed.

2) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.(If any)

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

38-10 Capital share

i) Common stocks

Incremental costs directly attributable to the issue of common stock and share options are recognized as a deduction from shareholders' equity.

ii) Repurchase of capital share

When capital share recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as deduction from total equity, after one year the capital is deducted by the treasury shares according to rules of law.

38-11 Dividends

Dividends are recognized as a liability in the period in which they are declared and approved by company's general assembly.

38-12 Provisions

A provision is recognized when the company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

38-13 Loans and borrowings

The borrowings are initially recognized when received and the amounts due within a year are recognized in the current liabilities. If the company has no right to postpone the loans' payment for a period that exceeds one year after the financial position date, the loan is presented in the non-current liabilities.

Subsequent to initial recognition, interest-bearing borrowings and credit facilities are stated at amortized cost being recognized in the separate profit or loss statement over the period of each borrowing separately on an actual interest basis.

The amortized cost is calculated taking into consideration any discounts or bonuses and fees or costs that are part of actual interest rate. The amortization is recognized in the separate profit or loss statement on an actual interest basis in finance expenses in the separate profit or loss statement.

38-14 Revenue

The company has implemented the Egyptian Accounting Standard No. (48) as of January 1, 2021. Information has been provided about the company's accounting policies relating to contracts with clients and the impact of applying the standard is explained (Notes No. (6-2)).

Information about the Company's accounting policies relating to contracts with customers is provided in five steps module as identified in EAS No. (48):

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The Company satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met:

a) Company performance does not arise any asset that has an alternative use of the Company and the Company has an enforceable right to pay for completed performance until the date.

b) The Company arise or improves a customer-controlled asset when the asset is arise or improved.

c) The customer receives and consumes the benefits of Company performance at the same time as soon as the Company has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Company satisfies performance obligation.

When the Company satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Company, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. (48) requires management to use the following judgements: -

Satisfaction of performance obligation

The Company should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Company estimated that, and based on the agreement with customers, the Company does not arise asset has alternative use to the Company and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the Company recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The Company has to determine the price of the transaction in its agreement with customers, using this judgement, the Company estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

If the Company determines the performance obligations satisfaction at a point in time, revenue is recognized when control of related contract assets are transferred to the customer

Allocation of the transaction price of performance obligation in contracts with customers

The Company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Company considers the use of the input method, which requires recognition of revenue based on the Company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Company estimates efforts or inputs to satisfy a performance obligation. In addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other matters to be considered

Variable consideration if the consideration pledged in a contract includes a variable amount, then the Company shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Company estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. This method is applied consistently throughout the contract and for identical types of contracts.

The significant funding component

The Company shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

i) Services rendered

Revenue from services is recognized in the profit or loss statement when the service is rendered. No revenue is recognized if there are uncertainties regarding the recovery of the consideration due or the associated costs.

ii) Interest income

Interest income is recognized in the separate profit or loss statement according to the accrual basis

iii) Investment revenue

The investment income is recognized in the subsidies in the separate profit and loss statement in that date of the right of the company in receiving the company's dividends, realized after the acquisition date.

38-15 Expenses

i) Cost of Borrowing

The borrowing cost represented in interest expense and bank charges are recognized in the profit or loss statement for based on the accrual basis.

borrowing costs which are directly related to acquisition, construction or, production of property, plant and equipment are capitalized as part of the assets' book value and depreciated over its estimated useful life, the cost of borrowing is capitalized as a part of the fixed asset cost when the actual expenditure of the asset starts and during the period the company incurs such costs, the borrowing costs capitalization ceases during the year where the preparation of the asset temporarily stops or when the asset is ready for its intended use.

ii) Social insurance contribution

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law no 79 for the year 1975. Under this law, the employees and the employer contribute into the system on a fixed percentage - of - salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to the separate profit or loss statement according to the accrual basis.

iii) Income tax

Income tax expense comprises current and deferred tax. It is recognized in the separate profit or loss statement except to the extent that it relates to a business combination, or items recognised – in the same period or a different one - directly in equity or in Other Comprehensive Income "OCI".

Current income tax

The current income tax is recognized for the current and prior years, as it is not paid as a liability, if the tax was already paid in the current and prior years is more than the due value from these years, this increase will be recognized as an assets. The value of the liabilities (assets) current tax for the current and previous years is measured by the expected payment (retrieved from) to tax authority, by applying the applicable tax prices (and tax laws) or in the process to be issued at the end of the financial year. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Initial recognition of good will
- Initial recognition of assets or liabilities:

1. Not business combination
2. It has no influence on accounting not profit or on taxable profit (taxable loss)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Company.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

38-16 Lease contracts

1- (Right Of Use)

The Company recognised new assets and liabilities for its operating lease contracts for various types of contracts including lands. Each lease payment is distributed between the liabilities and the financing cost. The finance cost is charged to statement of income over the leasing period to achieve a fixed periodic interest rate on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis.

Assets and liabilities arising from the lease are initially measured at the present value.

1. Right-of-use assets are measured at cost comprising the following:
   - the amount of initial measurement of lease liability;
   - Any lease payments made on or before the commencement date, less any lease incentives received;
   - Any initial direct costs; and
   - restoration costs

Right-of-use assets are subsequently measured at cost less accumulated depreciation

2. Lease liabilities include the net present value of the following lease payments:
   - fixed payments (including significant fixed payments), less any lease incentive receivables;
   - variable lease payment that are based on an index or a rate;
   - amounts expected to be payable by the lessee under residual value guarantees;
   - the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
   - Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments are discounted using the additional borrowing rate, which represents the price that the lessee will pay to borrow the funds necessary to obtain an asset at a similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in statement of income. Short-term leases are leases with a lease term of 12 months or less. It includes low-value assets related to office equipment.

Lease terms are re-negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any undertakings, but the leased assets may not be used as security for the purposes of borrowing when determining the term of the lease, the management takes into account all facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option to terminate. Extension options are only included in the term of the lease if the lease is to some extent assured. When determining the lease term, management generally takes into account certain factors including historical lease periods and business discontinuation costs required to replace the leased asset.

2. Determining whether the arrangement contains a lease contract or not

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

Initially or when evaluating any arrangement that contains a contract lease, the Group separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Group concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled, and the finance cost calculated on the obligation is recognized using the Group's additional borrowing rate.

3. Leased assets

Lease contracts for property, plant and equipment that are transferred in a large degree to the Group, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.

Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Group's statement of financial position.

4. Lease payments

Operating leases' payments are recognized in profit or loss on a straight-line basis over the term of the lease. Received lease incentives are recognized as an integral part of the total lease expense, over the lease term.

The minimum lease payments of finance leases are divided between financing expenses and the reduction of unpaid liabilities. Finance charges are charged for each period during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation.

38-17 Earnings per share

The Company presents basic earnings per share (EPS) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

39. Important events

39-1 covid- 19

Most countries of the world, including Egypt, were exposed during year 2020 to the outbreak of the novel Coronavirus disease (COVID-19), which caused disturbances in most commercial and economic activities in general and on certain activities in particular, so it is possible to have a significant impact on the company's assets and liabilities and its recoverable amounts and also the results of operations in the future financial statements in addition The potential impact and the demand on the available company's services and liquidity, as the company managed the impact on the current financial statement, confirming on that the value of assets and liabilities that were established in the financial statements according to the optimal estimation for most recent available information. As according to the current unstable circumstances and uncertainty as a result of the current events, the magnitude of this impact depends mainly on the expected horizon and the timeline of finalizing this event and its implications, which is difficult to determine meanwhile.

39-2 Free zone – port said

The general authority for investments and free zone have issued a decree No.8-1/2021 dated January 27, 2021, which included the approval on granting the projects concern with the storage of used cars at the free zone which will continue engaging in this operation for two years starting from January 1st, 2021 in order to settle their situation to transfer their work to economic zone at Suez Canal.

The company performs the administrative and executive procedures currently regarding transfer the work to economic zone at Suez Canal.

The company's board of directors held at October 31, 2021 have decided to approve on the purchases of a new land to establish a new company to store the cars at Ain El Sokhana and to match the investment plan of the company, the board have approved on establishing a new subsidiary company in the economic zone at Suez canal to practice the storage and logistics activities, and the export of used cars and to prepare it to disabled use in addition to manufacture the complementary devices.

Auditor's report

To The Shareholders of Egyptian Transport & Commercial Services Company (Egytrans) (Egyptian Joint stock company)

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Egyptian Transport & Commercial Services Company (Egytrans) (Egyptian Joint stock company), which comprise the Consolidated statement of financial position as of December 2021 ,31, and the Consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year ended December 2021 ,31, and a summary of significant accounting policies and other explanatory notes.

Management›s Responsibility for the Consolidated Financial Statements

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

Auditor›s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Egyptian Transport & Commercial Services Company (Egytrans) (Egyptian Joint stock company) as of December 2021 ,31, and its financial performance and its cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these Consolidated financial statements.

Hossam Abdel Wahab
Auditor Financial Regulatory
Authority Register No. (380)

KPMG Hazem Hassan
Public Accountants and
Consultants

Consolidated financial statements

Consolidated statement
of financial position as of December 31, 2021
(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Assets			
Non-Current Assets			
Property, plant & equipment (Net)	(39- 4), (13)	122 768 276	123 743 926
Right use assets (Net)	(39-17), (28-1)	5 986 399	--
Intangible assets (Net)	(39-5), (14)	238 514	868 068
Projects under construction	(39-6), (15)	42 746 656	3 171 125
Investments in associates (Net)	(39-7-1), (16)	7 172 058	600 000
Goodwill	(39-5-ii), (17)	2 423 623	2 423 623
Total Non-Current Assets		**181 335 526**	**130 806 742**
Current Assets			
Inventory	(39-9), (18)	6 830 588	5 210 833
Trade & Notes Receivable (Net)	(39-8), (19)	72 328 207	70 510 057
Debtors & Other debit balances (Net)	(39-8), (20)	46 582 699	41 164 026
Due from related parties	(29-1)	575 285	--
Cash on hand & in banks	(39-10), (21)	41 098 953	108 569 228
Total Current Assets		**167 415 732**	**225 454 144**
Total Assets		**348 751 258**	**356 260 886**
Shareholder's Equity			
Issued & paid up Capital	(39-12), (22-2)	156 062 500	156 062 500
Reserves		33 951 276	33 435 472
Retained earnings		51 306 949	64 052 091
		241 320 725	**253 550 063**
Non-controlling interest		6 565	5 442
Total shareholder's Equity		**241 327 290**	**253 555 505**
Liabilities			
Non-current liabilities			
Long term lease contracts installments liabilities	(27), (28-2)	3 802 058	168 593
long term Notes payable	(26-1)	23 551 801	--
Deferred tax liabilities	(39-19-iii), (30-2)	12 382 226	11 515 881
Total non-current liabilities		**39 736 085**	**11 684 474**
Current liabilities			
Short term lease contracts liabilities installments	(39-17), (27), (28-2)	2 692 968	777 934
Provisions	(39-15), (24)	10 126 876	10 610 370
Due to related parties	(29-2)	396 567	347 167
Trade & other payables	(39-13), (25)	50 999 347	75 030 207
Current income tax	(39-19-iii), (30-4), (30-1)	3 472 125	4 255 229
Total current liabilities		**67 687 883**	**91 020 907**
Total Shareholders' Equity and Liabilities		**348 751 258**	**356 260 886**

- The notes and accounting policies on pages (8) to (68) are an integral part of these consolidated financial statements.
- Auditor›s Report – attached

Consolidated profit or loss statement

for the Financial Year Ended December 31, 2021
(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Operating Revenue	(39-18-i), (5)	293 515 840	216 065 096
Operating Cost	(39-19), (6)	(218 311 044)	(158 990 994)
Gross profit		**75 204 796**	**57 074 102**
Other income	(7)	1 900 355	5 303 127
Selling & Distribution expenses		(2 006 672)	(894 888)
General & Administrative Expenses	(10)	(50 503 859)	(40 058 852)
Impairment loss	(9)	(964 006)	(164 582)
Other Expenses	(8)	(8 808 768)	(7 182 843)
Profit from Operating Activities		**14 821 846**	**14 076 064**
Income from investments in Associates	**(39-18-iii), (11)**	**9 425 871**	**1 653 251**
Finance income	(39-18-ii), (12-1)	2 380 138	4 165 138
Finance expenses	(39-19-i), (12-2)	(1 884 932)	(481 098)
Net finance income		**495 206**	**3 684 040**
Net Profit before tax		**24 742 923**	**19 413 355**
Current income tax (expenses)	(30-1)	(6 468 357)	(6 351 039)
Net Profit after tax		**18 274 566**	**13 062 316**
Distributed As follows:-			
Share of holding company's shareholders		18 273 263	13 061 464
Non – controlling interest share in subsidiaries profit		1 303	852
Net profit for the year		**18 274 566**	**13 062 316**
Basic and diluted earning per share (LE/Share)	**(39-20), (38)**	**0.59**	**0.42**

• The notes and accounting policies on pages (8) to (68) are an integral part of these Consolidated financial statements.

Consolidated comprehensive income statement

for the Financial Year Ended December 31, 2021
(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Net profit for the year		**18 274 566**	**13 062 316**
Foreign entities translation differences	(39-3)	(177 628)	(1 460 941)
Total comprehensive income		**18 096 938**	**11 601 375**
Distributed As follows: -			
Share of holding company's shareholders		18 095 331	11 600 622
Share of non- controlling interest		1 607	753
Total comprehensive income for the year		**18 096 938**	**11 601 375**

• The notes and accounting policies on pages (8) to (68) are an integral part of these Consolidated financial statements.

Consolidated profit or loss statement

for the Financial Year Ended December 31, 2021
(I/S Figures In EGP)

	Note No.	Issued and Paid up Capital	Reserves						
			Legal Reserve	Capital Reserves	Foreign entities translation difference and free zone	Retained Earnings	Net equity of holding company's shareholders	Net Non-controlling interest	Total
Balance as of January 1, 2020		156 062 500	13 044 187	4 000 000	16 436 412	91 235 401	280 778 500	4 528	280 783 028
Transactions with company's shareholders									
Transferred to legal reserve		--	1 415 969	--	--	(1 415 969)	--	--	--
Dividends for the financial year ended December 31, 2019		--	--	--	--	(38 828 805)	(38 828 805)	(93)	(38 828 898)
Total transactions with company's shareholders		**--**	**1 415 969**	**--**	**--**	**(40 244 774)**	**(38 828 805)**	**(93)**	**(38 828 898)**
Comprehensive income									
Net profit for the financial year ended December 31, 2020		--	--	--	--	13 061 464	13 061 464	852	13 062 316
Foreign entities translation differences	(39-3)	--	--	--	(1 461 096)	--	(1 461 096)	155	(1 460 941)
Total comprehensive income		**--**	**--**	**--**	**(1 461 096)**	**13 061 464**	**11 600 368**	**1 007**	**11 601 375**
Balance as of December 31, 2020		**156 062 500**	**14 460 156**	**4 000 000**	**14 975 316**	**64 052 091**	**253 550 063**	**5 442**	**253 555 505**
Balance as of January 1, 2021		**156 062 500**	**14 460 156**	**4 000 000**	**14 975 316**	**64 052 091**	**253 550 063**	**5 442**	**253 555 505**
Impact of the initial implementation of the accounting standard number (47) financial instruments		--	--	--	--	(341 389)	(341 389)	--	(341 389)
		156 062 500	14 460 156	4 000 000	14 975 316	63 710 702	253 208 674	5 442	253 214 116
Transactions with company's shareholders									
Transferred to legal reserve		--	693 436	--	--	(693 436)	--	--	--
Dividends for the financial year ended December 31, 2020		--	--	--	--	(29 983 580)	(29 983 580)	(131)	(29 983 711)
Total transactions with company's shareholders		**--**	**693 436**	**--**	**--**	**(30 677 016)**	**(29 983 580)**	**(131)**	**(29 983 711)**
Comprehensive income									
Net profit for the financial year ended December 31, 2021		--	--	--	--	18 273 263	18 273 263	1 303	18 274 566
Foreign entities translation differences	(39-3)	--	--	--	(177 632)	--	(177 632)	(49)	(177 681)
Total comprehensive income		**--**	**--**	**--**	**(177 632)**	**18 273 263**	**18 095 631**	**1 254**	**18 096 885**
Balance as of December 31, 2021		**156 062 500**	**15 153 592**	**4 000 000**	**14 797 684**	**51 306 949**	**241 320 725**	**6 565**	**241 327 290**

• The notes and accounting policies on pages (8) to (68) are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the Financial Year Ended December 31, 2020

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Cash flows from operating activities			
Net Profit for the year before tax		24 742 923	19 413 355
Reconciled as follows:			
Property, plant & equipment Depreciation	(13)	8 224 702	7 847 418
Intangible Assets Amortization	(14)	699 379	698 764
Right of use assets amortization	(28-1)	3 708 073	--
interest income	(12-1)	(2 380 138)	(4 165 138)
Investment income from Associates	(11)	(9 425 870)	(1 653 251)
Finance expense	(12-2)	1 580 927	189 501
Foreign currencies exchange differences	(12-2)	**304 002**	291 597
Capital gain	(7)	(700 526)	--
Formed provisions	(8)	2 000 000	5 921 104
Formed impairment loss	(9)	964 005	164 582
Provisions no longer required	(24)	(147 071)	(1 200 000)
		29 570 406	**27 507 932**
Change in inventory	(18)	(1 622 049)	1 620 633
Change in trade, notes receivables debtors, other debit balances and due from related parties	(29-1), (19), (20)	(9 296 393)	(20 987 518)
Change in trade, other payables and due to related parties	(24), (29-2)	(29 682 842)	19 960 984
		(11 030 878)	**28 102 031**
Paid employee dividends		(6 286 938)	(7 615 431)
Paid Interest	(12-2)	(1 580 927)	(189 501)
Paid tax		(5 918 801)	(2 724 549)
Utilized provisions	(8),(24)	(2 331 955)	(426 673)
Income tax differences for prior years		--	(721 361)
Net cash flow (used in)/provided from operating activities		**(27 149 499)**	**16 424 516**
Cash flows from Investments Activities			
Payments to acquire property, plant & equipment and projects under construction	(39-4), (13), (15)	(18 731 757)	(4 242 776)
Proceeds from Sale of property plant and equipment	(13)	705 002	--
Interest received	(12-1)	2 610 338	4 257 131
Proceeds from Property, plant & equipment Debtors		--	900 000
Cash proceeds from investment in Associates	(11)	2 853 813	1 034 372
Net cash flow (used in)/provided from Investments Activities		**(12 562 604)**	**1 948 727**
Cash flows from Financing Activities			
Cash dividends paid to shareholders		(23 427 297)	(31 277 620)
Payments for lease contract liabilities	(28-2), (27)	(4 146 025)	(827 968)
Change in pledged time deposits	(21)	(2 668 776)	5 835
Net Cash Flow (Used In) Financing Activities		**(30 242 098)**	**(32 099 753)**
Net change in cash and cash equivalent during the year		**(69 954 201)**	**(13 726 510)**
Foreign entities translation difference	(39-3)	(125 138)	(1 001 250)
Cash & cash equivalent at the beginning of the year	(39-10), (21)	106 339 710	121 067 470
Cash & cash equivalent at the end of the year		**36 260 371**	**106 339 710**

- The notes and accounting policies on pages (8) to (68) are an integral part of these consolidated financial statements.
- Non-monetary transactions were eliminated as shown in note no. (33)

Notes to the consolidated financial statements

1. Background and activities

Egyptian Transport & Commercial Services Company (Egytrans) (Egyptian Joint Stock Company) Was established in Arab republic of Egypt on September 13 , 1973 as a limited liability company and the company has been authenticated in the commercial register under the number (16 974) at the same date , the duration of the company has been extended for 25 years starting from January 7th 1988 until January 6th 2013 and then another term for 25 years from January 7th 2013 until January 6th 2038 and the legal status has been amended to be a joint stock company under the approval of General Authority of Investment on extra-ordinary general assembly decree dated January first 1987 and in accordance with law no. 159 of 1981 and its executive regulations and its issued amendments no.(4) for the year 2018.

The aim of the company is to represent ship owners and shipping companies, air freight operations, shipping agencies, stevedoring for dry, bulk and general cargo, transportation, transit for others transportation and general services, in order to finalize the bill of lading at the customs for imported goods either by land, sea or air acting as a freight agent at seaports, airports and land ports, air freight, clearance, storage, warehousing, operating dry ports management, depots, depots exchange and all related activities, packing and packaging, review, showrooms, comprehensive postal agency activities, commercial mediation, exporting, commercial consultants, importing and commercial agencies.

As well as owning and renting cargo transportation vehicles with all its types and operating them, trading in building materials, chemicals, food ingredients with all its type, brokerage activities in selling, purchasing, renting ships and all naval units, supplying ships, selling travel tickets on them.

Representing airlines, including reservation of traveling tickets and cargo spaces.

storage of cargo air freighted coming on or off planes in the company's warehouses and providing different kinds of services to airplanes and their crew and passengers, supplying everything necessary to transport planes passengers and renting planes.

The company has the right to have an interest or to participate by any mean with agencies that share the same activities and that may help the company to achieve its purpose in Egypt or abroad also the company has the right to merge with these agencies or acquire them according to the law and its executive regulations.

According to the extraordinary assembly dated February 3, 2021, the company's headquarter has been changed at Port Said City, thereby the legal headquarter will be located mainly in Port Said City at the following address (unit number (2), first floor at Borg El Ahlam in Flesten Street and Jabarti dividing the quarantine land number (1) nearby the old lighthouse Qesm Ash Sharq Port Said Governorate).

The location of operating the activity is in the entire republic of Egypt except for South and north Sinai Governorate and El-Qantara el-Sharqiya as the autority has approved previously these sites taking into consideration, what has been stated in the presidential Decree number 350 for the year 2007 and what has been stated in the presidential Decree number 356 for the year 2008, as it is permitted for the board of directors to develop a branch or offices or agents in the entire republic of Egypt or abroad or in General Authority For Investment & Free Zones except for Shibh Jazirat Sina and El-Qantara el-Sharqiya according to the previous approval from the authority for opening branches for the company.

The company operates through branches in the following Governorates:

- Cairo
- Alexandria
- Damietta
- Suez
- Port said (free zone)

The Securities Registration Committee in Cairo & Alexandria stock exchange approved the registration of company's stocks on December 28, 1992.

Chairman & Managing director Engineer / Abir Wael leheita

The company's fiscal year starts on January 1st and ends on December 31 for each year

The company's Consolidated financial statements for the financial year ended December 31, 2021 were approved from the Board of Directors dated February 24, 2022

2. Background & activities for subsidiaries companies

The following is a statement of percentage of ownership in subsidiaries companies for Egyptian transport & commercial services (Egyptrans) which has been included in the consolidated financial statements:

Direct owner ship	Percentage of ownership	
	31/12/2021	31/12/2020
Egyptian Transport & logistics Company (ETAL)	99.99٪	99.99٪
Egytrans Depot Solutions Company	99.99٪	99.99٪
Egytrans River ports Company (under liquidation)	99.99٪	99.99٪
Egytrans Bargelink Company (under liquidation)	99.99٪	99.99٪

Egyptian Transport & logistics Company (ETAL)

Egyptian Transport & logistics Company (ETAL) (Egyptian Joint Stock Company) Was incorporated on December 28th 1982 and registered on commercial register under the no. (149096) under the internal investment system according to law no. 43 of 1974 which was amended by law no. 32 of 1977 and its executive regulation , and it has been amended to become subject to law no 8 of 1997 with regard to rules of law no 159 of 1981.

Company's purpose is cold or frozen transportation of goods, operating stations & container handling, Grain silos and the aforementioned includes shipping & discharge required to perform the activity.

Performing general land transportation activity for goods in All its forms, types and loads and this includes Parcels with non-standard specifications with regard to length, width & height and load , and this is by using normal shipping trucks and trucks that its loads exceed 50 ton which requires studies & technical expertise in the field of engineering & transportation tactics .

Performing handling and transportation at all its forms, types & loads , and also Shipping , discharge , reclaiming & loading from or in work sites after performing all necessary set-ups in the site or the tracks through which this loads pass .

Performing custom clearance for all containers & goods which the company transport.

The company's headquarter is located in 11 street dr. Kamel Morsy street – elshatby – Alexandria

The company's duration has been renewed for another 25 years starting from December 27th, 2007 until December 26th , 2023 .

The company's Fiscal year starts on January 1st and ends on December 31 for each year

Chairman Eng./ Abir Wael Leheita

Egytrans Bargelink Company (Under liquidation)

Egytrans Bargelink Company (SAE) was incorporated in accordance with Joint Stock Companies Law , stock limited companies & limited liability companies issued by the Law no. 159 of 1981 and its executive regulation , the company's headquarters – fourth floor building no 15 st. Ahmed Oraby – Mohandseen – Agoza – Giza and it has been registered in the commercial register under the number 39179 on June 4th, 2009

The company's purpose represented in land transportation for goods by all means and river transportation for goods in previously licensed units and marine transportation for goods inside territorial waters and handling goods of all kinds, shapes and names.

The company has the right to have an interest or to participate by any mean with agencies that share the same activities and that may help the company to achieve its purpose in Egypt or abroad also the company has the right to merge with these agencies or acquire them according to the law and its executive regulations.

The company's duration 25 years start from the date of registering at the commercial register.

The company's headquarter is located in 15 Street Ahmed Oraby – Mohandsseen – Agoza – Giza – Egypt .

The company's liquidator Eng. / Abir Wael Leheita

The company hasn't start any operation since its establishment and a decree of its liquidation has been issued according to Extra ordinary General Assembly.

The Extra ordinary general assembly held on July 12 , 2016 decided collectively to set the company under liquidation and take the necessary procedures in the light of prevailing rules of law and company's bylaws where since the start date of the company on 2009 till the date the company has not started any operation , the company's main purpose was land transportation for goods by all means and river transportation for goods in previously licensed units and marine transportation for goods inside territorial waters and handling goods of all kinds, shapes and names but the attempts to obtain the required licenses was not successful and the existence of legal barriers which prohibits the granting of this licenses and the decision to liquidate the company has been taken based on the board of directors approval of the Egyptian transport & commercial services company the main shareholder of the company , and the necessary procedures to liquidate the company is in process.

The Company's General Assembly dated June 26 , 2021 has decided to extend the term of liquidation one year ends on April 29 , 2022 .

Egytrans Depot Solutions Company

Egytrans Depot Solutions Company (previously Global Depot solutions) (Egyptian Joint Stock Company) was incorporated in accordance with law no 159 of 1981 and has been registered in the commercial register under the no. 39549 on September 18th , 2009 and commercial register number has been amended to 3610 on May 10 , 2010 .

According to the Extra Ordinary General Assembly approval dated February 12 , 2012 on the amendment of article no. 2 of company's bylaws the company's legal name has become Egytrans Depot Solutions SAE and this has been authenticated in the company's bylaws and commercial register on May,16 2012 .

The company's main purpose represented in storage, cleaning , repairing containers of liquid casting specially Isotanic containers to transport liquid goods and shipping trucks with tanks to transport liquid goods on land roads without practicing any manufacturing process or establishing repairing centers .

According to the Extra-Ordinary General Assembly Dated April 12, 2011 the activity of repacking of liquid casting in Isotanic containers & shipping trucks with tanks has been added to the company's' activities also the performing of land transportation for goods & containers in all its forms , types , size & usage and leasing multi modal transport equipment (for others) in all its forms , types , sizes & usage for company's purpose with regard to rules of law & regulation & prevailing decisions and under condition of issuing necessary licenses .

The company has the right to have an interest or to participate by any mean with agencies that share the same activities and that may help the company to achieve its purpose in Egypt or abroad also the company has the right to merge with these agencies or acquire them according to the law and its executive regulations.

The company operates on a land leased from Egyptian Transport & Commercial Services company (Main shareholder & and a related party) according to a contract for five years starts from September 1st 2009 and ends May 31 , 2014 and the company added a new piece of land leased from Egyptian Transport & Commercial Services Company (Egytrans) (Egyptian Joint Stock Company) (Main shareholder & and a related party) according to the contract dated January 1st 2013 and ends December 31 , 2018 for the purpose of performing the company's operation and on March 31, 2014 both lease contracts has been revoked by mutual consent for both parties , accordingly a lease contract has been signed between Egytrans Depot Solutions Company & land owners dated April first,2014 and ends on March 31 , 2024

The company's duration 25 years start from date of registration in the commercial register

The company's headquarter is located at 11. Kamel Morsy – Shatby – Alexandria –Egypt

Chairman Eng. / Abir Wael Leheita

Egytrans River Ports Company (under liquidation)

Egytrans River Ports company (Egyptian Joint Stock Company) was incorporated in accordance with law no 159 of 1981 and registered in the commercial register under the no. 38542 dated May 4, 2009 according to incorporation certificate no. 1013 dated May 3, 2009, and the company's purpose represented in management , operating & development of river ports, terminal and River container terminals and providing all services related to shipping, discharge & storage of goods in all its types and the maintenance & Freight for moveable containers (except Air Freight) with regard to rules of law & regulations and prevailing decisions and under the condition of issuing necessary licenses required to perform this activities .

The company has the right to have an interest or to participate by any mean with agencies that share the same activities and that may help the company to achieve its purpose in Egypt or abroad also the company has the right to merge with these agencies or acquire them according to the law and its executive regulations.

The company's duration 25 years start from date of registration in the commercial register.

The company has notified Tax Authority with temporary suspension of operation until the issuance of necessary licenses for establishment of the project and this starting from January 1st ,2015 .

The company's Head Quarter is Located at 15 Ahmed Oraby – Mohandsseen – Agoza – Giza – Egypt.

The company's liquidator / Abir wael leheita

The company hasn't start any operation since its incorporation and a decree of its liquidation has been issued according to Extra ordinary general assembly.

The extra ordinay general assembly held on July 12 , 2016 decided collectively to set the company under liquidation and take the necessary procedures in the light of prevailing rules of law and company's bylaws where since the start date of the company on 2009 till the date of financial statement preparation the company has not started any operation , the company's main purpose was management , operating & development of river ports , terminal and River container terminals and providing all services related to shipping , discharge & storage of goods in all its types and the maintenance & Freight for moveable containers but the attempts to obtain the required licenses was not successful and the existence of legal barriers which prohibits the granting of this licenses and the decision to liquidate the company has been taken based on the board of directors of the Egyptian transport & commercial services company approval which is the main shareholder of the company , and the necessary administrative and legal procedures to liquidate the company is in process .

The General Assembly of the company dated June 26, 2021 has decided to extend the term of liquidation one year ends on April 29, 2022 .

3. Basis of preparation of the Consolidated financial statements

The consolidated financial statements have been prepared according to going concern assumption and historical cost basis except for financial assets and liabilities which are recognized at its fair value and amortized cost, generally historical cost depends generally on the fair value in return to which is delivered to proceed the asset.

3-1 Statement of compliance

The Consolidated financial statements are prepared in accordance with Egyptian Accounting Standards ("EAS") and relevant Egyptian laws and regulations.

The Significant accounting policies implemented in the company are disclosed in note number (39)

This financial statements are the first financial statements that the company applied the Egyptian accounting standard No.(47) "Financial Instruments" , Egyptian accounting standard No.(48) Revenue from contract with customers and Egyptian accounting standard No.(49) Leasing contracts. As the impact of changing the accounting policies is disclosed in note number (3-5).

3-2 Functional currency and presentation currency

The Consolidated financial statements are presented in Egyptian Pound referred to as "LE", which is the company's functional currency.

3-3 Use of estimates and judgments

The preparation of the Consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the implementation of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes to accounting estimates are recognized in the year in which those estimates were changed if the changes affects only that year or in the year of the changes and future years if the changes affects both current and future years.

Information about significant areas of estimation and judgments is included in the following notes:

1. Operational useful life of property, plant & equipment and intangible assets (Note no. (39-4-iii)).
2. Recognition of deferred tax assets and liabilities (Note no. (30-2)).
3. Impairment in the value of financial investment in associates (Notes no. (16)).
4. Impairment in trade receivables & debtors and other debit balances (Note no. (19),(20)).
5. Provisions (Notes no. (24)).
6. Financial instruments (Notes no (34)).

3-4 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 in the principal , as the fair value measurement depends on the assumption that the transaction concerning the asset or transferring the liabilities will take place:

- In the principle asset's market or liabilities or
- In the absence of the principle market, in the most advantageous market for the asset or liability.

The fair value of the assets or liability is measured by using estimates that will be used by market participants when the asset or liability is quoted, assuming that the market participants act on their best interest regarding their economic benefit. The fair value measurement for the non-financial asset takes into consideration the participants' ability in generation of the economic benefits in the market by the optimal usage of the asset or selling it to another participant to use it with the same quality standards.

The company use evaluation techniques that is appropriate to the circumstances and the required information is sufficient for the fair value measurement, by optimizing the related noticed input benefit, limiting the unnoticed inputs.

All the classified assets and liabilities are measured or disclosed in the financial statements with fair values which are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in 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:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3-5 Change in significant accounting policies

'On March 18, 2019, the Minister of Investment and International Cooperation amended some provisions of the Egyptian accounting standards issued by Minister of Investment No. 110 of 2015, which includes some new accounting standards and amendments to some existing standards.

On April 12, 2020, the Financial Supervisory Authority issued a decision to postpone the application of amendments in the new Egyptian accounting standards to the periodic financial statements and limit them to the annual financial statements by the end of 2020.

On September 17, 2020, Prime Minister Decision No. 1871 of 2020 was issued to postpone the application of the following Egyptian accounting standards until January 1, 2021:

(A) Standard (47) - Financial Instruments

(B) Standard (48) - Revenue from contracts with customers

(C) Standard (49) – Lease contracts

The company has applied the amendments to the Egyptian Accounting Standard No (47) financial instruments (see A)) and the Egyptian Accounting Standard No. (48) Revenue from Contracts with Customers (see B) and the Egyptian Accounting Standard No. (49) Lease Contracts (see C) with effect from January 1, 2021.

In the light of the prevailing application for the changes in the accounting policies, as what was selected by the company to implement is the accounting standard (47) Financial instruments, as the differences resulted from the implementation of this accounting standards were recognized -If any- in the retained earnings at January 1,2021 and the comparative figures included in the Financial statements were not adjusted to reflect the new requirements of the standard, as the impact of this standard is initially on increasing the recognized impairment loss in the financial assets.

A- Egyptian accounting standard No.(47) – Financial instruments

Egyptian Accounting Standard No. (47) sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces EAS (25) Financial Instruments: Presentation and disclosures, EAS (26) Financial Instruments: Recognition and Measurement, and EAS (40) Financial Instruments: Disclosures, applicable to Disclosures for the year 2021.

As a result of applying the Egyptian Accounting Standard (47), the company adopted the amendments to the Egyptian Accounting Standard No. (1) on the presentation of financial statements, which requires presenting the impairment in the value of financial assets in a separate item in the statement of profit or loss and other comprehensive income previously the company policy was to recognize the impairment loss of the current assets in other expenses , accordingly the company reclassify the impairment loss amounted to L.E 964 006 from other expenses to impairment loss in the statement of profit or loss for the year ended December 31, 2021.

In addition, the company has applied the amendments to Egyptian Accounting Standard No. (40) - Financial Instruments: Disclosures applied to the disclosures for the financial year ending on December 31, 2021 and there is no impact on the company's financial statements.

Classification and measurement of financial assets and financial liabilities

Egyptian Accounting Standard No. (47) contains major classifications of financial assets: measurement at amortized cost, fair value through other comprehensive income and fair value through statement of profit or loss. The classification of financial assets under EAS (47) is generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. Egyptian Accounting Standard No. (47) deletes the previous definitions of Egyptian Accounting Standard No. (26) from held to maturity, loans and receivables and available for sale. Under EAS (47), derivatives embedded in contracts in which the host is a financial asset are not separated in the scope of the standard. Instead, the compound financial instrument is valued as a whole.

Egyptian Accounting Standard No. (47) largely retains the same existing requirements in Egyptian Accounting Standard No. (26) for the classification and measurement of financial liabilities.

The application of Egyptian Accounting Standard No. (47) had no material impact on the company's accounting policies related to financial obligations and derivative financial instruments.

For an explanation of how the company classifies the financial instruments and accounts and measures the related profit or loss under Egyptian Accounting Standard No. (47), see Note No. (36-6).

Impairment in of financial assets

Egyptian Accounting Standard No. (47) replaces the "incurred loss" model in Egyptian Accounting Standard No. (26) with the "expected credit loss" (ECL) model. The new impairment model is applied to financial assets measured at amortized cost, contractual assets and investments in debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments. Under Egyptian Accounting Standard No. (47), credit losses are recognized earlier than Egyptian Accounting Standard (26).

Regarding to the assets included in the impairment scope that is included in the Egyptian accounting standard (47), it is anticipated that the impairment loss will increase in general, to become more fluctuating. As the company decided to implement the Financial accounting Impairment standard (47) requirements at January 1,2021 that result in additional losses for the impairment in the values as follows:

	Note No.	LE
Impairment loss in Trade receivables according to the Egyptian accounting standard number (26) as of December 31,2020	(18)	1 846 610
Add:		
The value of the additional recognized loss in impairment at January 1,2021 in the value of trade receivables as of December 31,2020 charged on the retained earnings at January 1,2021	(23-4)	270 417
The value of the additional recognized loss in impairment at January 1,2021 in the value of bank deposits as of December 31,2020 charged on the retained earnings at January 1,2021	(23-4)	70 972
Impairment loss in in Trade receivables and bank deposits according to the Egyptian accounting (47) as of December 31, 2020		**2 187 999**

• The additional information was clarified concerning the methodology of measuring the company's impairment loss in note number (38-11)

B- Egyptian Accounting Standard No. (48) - Revenue from contracts with customers

Egyptian Accounting Standard No. (48) specifies a comprehensive framework for determining the value and timing of revenue recognition. This standard replaces the following Egyptian accounting standards (Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts". Revenue is recognized When a client is able to control goods or services, determining the timing of the transfer of control - over a period of time or at a point in time - requires a measure of personal judgment.

Revenue recognition

Due to the nature of the company's activities, in addition to the company's current accounting policies, the impact of Egyptian Accounting Standard (48) on revenue recognition by the company will be immaterial, where the revenue is recognized over a period of time, and at point of time which represents the time in which the performance obligation is fulfilled, which doesn't differ material for companies from the Egyptian accounting standard no. (11). "Revenue"

Costs of securing a contract with the customer

Under Egyptian Accounting Standard (48), some of the additional costs incurred in acquiring a contract with a client ("contract costs"), which previously did not qualify for recognition as an asset under any of the other accounting standards.

C- Egyptian Accounting Standard No. (49) - lease contracts

The Egyptian Accounting Standard (49) replaces the Egyptian Accounting Standard No. (20) - the accounting rules and standards related to financial leasing operations.

Egyptian Accounting Standard No. (49) “Lease Contracts” provides a single accounting model for the lessor and the lessee, whereby the lessee recognizes the right to use the leased asset within the company's assets and recognizes an obligation that represents the present value of unpaid lease payments within the company's obligations, taking into consideration that for the lessee the lease contract is not classified as operating lease or finance lease. There are optional exemptions for short-term and low-value leases.

Regarding the lessor, the lessor must classify each of his lease contracts either as an operating lease contract or as a finance lease contract.

Regarding the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present it as amount equal to the net investment in the lease contract.

For an operating lease, the lessor must recognize lease payments from operating lease contracts as income, either on a straight-line basis or on any other regular basis.

Recognition and measurement

Upon the commencement of the contract, the company evaluates whether the contract contains leasing arrangements, and for such arrangements for leasing contracts, the company recognizes right of use assets and liabilities for lease contracts except for short-term leasing contracts and low-value asset contracts as follows:

On initial recognition, the right of use asset is measured at amount equal to the liability measured initially and adjusted for pre-contract lease payments, and the initial direct cost, rental incentives, and the discounted value of the estimated costs of dismantling and removing the asset. In the subsequent measurement, the right of use asset is measured at cost minus the accumulated amortization and of the impairment losses. Amortization is calculated on a straight-line basis over the lower of estimated useful lives of the right of use assets or the lease term, whichever is less.

The lease liability is measured at the beginning of the lease contract with the present value of the unpaid lease payments on that date over the lease period, and the lease payments should be discounted using the additional borrowing rate prevailing in the country in general. The company uses the additional borrowing rate as a discount rate. Then the lease contract liability is measured at amortized cost using the effective interest rate method.

The right of use assets and the lease liability will be re-measured later if any of the following events occur:

- The change in the rental price due to the index price or the rate that became effective during the period.
- Amendments to the lease contract.
- Reassessment of the lease term.

Leases of non-core assets that are not related to the main operating activities of the company, which are short-term in nature (less than 12 months including renewal options) and low value leases are included in the profit or loss statement as incurred.

Upon the application of the requirements of EAS (49), the company choose to apply the practical method to exclude the valuation whereby transactions represent lease contracts. It applied Egyptian Accounting Standard (49) only to contracts that were previously defined as lease contracts. Contracts that were not defined as lease contracts under Egyptian Accounting Standard (20) was not revaluated.

The discount rates applied to a group of lease contracts with reasonably similar characteristics - The average additional interest rate applied to the lease obligations recognized on January 1, 2021 was 11.25%.

The application of the exemption by not recognizing the assets and liabilities of the right of use asset that expire during 2021.

Excluding the initial direct cost from measuring the right of use asset on the date of its initial application.

The company has also chosen to use recognition exemptions for leasing contracts whose lease period does not exceed 12 months or less from the date of the first application and does not contain the option to purchase “short-term lease contracts” as well as low-value leasing contracts for “low-value assets.”.

The company has applied the Egyptian accounting standard no. (49) to recognize the assets and liabilities of the lease contract starting from January 1, 2021 calculated on the basis of the remaining period of the lease contracts, and therefore the comparative figures have not been modified.

Important provisions in determining the lease term for contracts that include renewal options

The company defines the lease term as the irrevocable period of the lease contract, along with any periods covered by the option to extend the lease contract if this right can be exercised in a reasonable degree, or any periods covered by the option to terminate the lease contract, if it is certain to exercise This right.

The company has the option under some lease contracts to lease assets for additional periods, the company applies judgment in assessing whether it is certain and to a reasonable degree to exercise the renewal option, and this means that all relevant factors that create an economic incentive to practice renewal are taken into consideration, after the start date.

4. Operating segments profits or losses statement*

Segments are based on the company's upper management and internal reporting structure according to the basis set by the company's upper management.

Segment is a group of related assets and transactions with different risks and benefits differ from other sectors or in one economic environment characterized by risks and benefits related from those related to segments operating in different economical environment.

The company has (8) operating segments, presenting financial reports to the management, and these reports present different products and services that operates separately as it requires different technological and marketing strategies, operating segments reporting as follows:

- Shipping and Discharge
- Storage
- Additional services
- Others
- Land transportation
- Logistics
- Cleaning Containers
- Investment income

Consolidated profit or loss statement

for the Financial Year Ended December 31, 2021

(I/S Figures In EGP)

	Shipping and Discharge		Land transportation		Storage		Logistics		Total (After)	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Operating revenues	21 860 821	11 739 672	89 863 714	78 183 388	12 861 450	7 704 618	59 889 885	46 580 140	184 475 870	144 207 818
Deduct:										
Operating cost	(16 701 373)	(9 385 765)	(68 601 616)	(59 552 028)	(9 838 737)	(6 957 564)	(51 163 975)	(39 889 494)	(146 305 701)	(115 784 851)
Gross profit	**5 159 448**	**2 353 907**	**21 262 098**	**18 631 360**	**3 022 713**	**747 054**	**8 725 910**	**6 690 646**	**38 170 169**	**28 422 967**
Add/ deduct:										
Other income	172 426	323 661	710 571	2 561 801	101 018	102 720	291 616	919 960	1 275 631	3 908 142
Selling and Distributive expenses	(185 918)	(54 616)	(766 164)	(432 297)	(108 922)	(17 335)	(314 432)	(155 240)	(1 375 436)	(659 488)
General and administrative expenses	(4 411 111)	(2 295 540)	(18 178 198)	(18 169 379)	(2 584 292)	(728 530)	(7 460 286)	(6 524 747)	(32 633 887)	(27 718 196)
Impairment losses	(89 123)	(10 045)	(367 276)	(79 505)	(52 214)	(3 188)	(150 729)	(28 551)	(659 342)	(121 289)
Other expenses	(810 275)	(217 968)	(3 339 144)	(1 725 233)	(474 707)	(69 176)	(1 370 376)	(619 543)	(5 994 502)	(2 631 920)
(Losses)/Result from operating activities	**(164 553)**	**99 399**	**(678 113)**	**786 747**	**(96 404)**	**31 545**	**(278 297)**	**282 525**	**(1 217 367)**	**1 200 216**
Investment income	--	--	--	--	--	--	--	--	--	--
Net (expenses) / finance income	(29 933)	180 218	(123 348)	1 426 436	(17 535)	57 195	(50 622)	512 242	(221 438)	2 176 091
Net (loss) / profit before tax	**(194 486)**	**279 617**	**(801 461)**	**2 213 183**	**(113 939)**	**88 740**	**(328 919)**	**794 767**	**(1 438 805)**	**3 376 307**
Deduct:										
Income tax	(76 096)	(128 276)	(313 592)	(1 015 303)	(44 582)	(40 710)	(128 698)	(364 602)	(562 968)	(1 548 891)
Net profit for the year	**(270 582)**	**151 341**	**(1 115 053)**	**1 197 880**	**(158 521)**	**48 030**	**(457 617)**	**430 165**	**(2 001 773)**	**1 827 416**

Cont: operating segments profit and loss statement

for the Financial Year Ended December 31, 2021

(I/S Figures In EGP)

	Total (Before)		Additional services		Others		Cleaning containers		Investment income		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Operating revenues	184 475 870	144 207 818	7 160 642	5 819 795	77 567 123	43 193 766	24 312 205	22 843 717	--	--	293 515 840	216 065 096
Deduct:												
Operating cost	(146 305 701)	(115 784 851)	(5 238 374)	(4 037 852)	(61 971 739)	(34 830 313)	(4 795 230)	(4 337 978)	--	--	(218 311 044)	(158 990 994)
Gross profit	**38 170 169**	**28 422 967**	**1 992 268**	**1 781 943**	**15 595 384**	**8 363 453**	**19 516 975**	**18 505 739**	**--**	**--**	**75 204 796**	**57 074 102**
Add/ deduct:												
Other income	1 275 631	3 908 142	64 242	245 015	521 192	1 149 970	39 290	--	--	--	1 900 355	5 303 127
Selling and Distributive expenses	(1 375 436)	(659 488)	(69 268)	(41 345)	(561 968)	(194 055)	--	--	--	--	(2 006 672)	(894 888)
General and administrative expenses	(32 633 887)	(27 718 196)	(1 643 458)	(1 737 756)	(13 333 396)	(8 156 074)	(2 893 118)	(2 446 826)	--	--	(50 503 859)	(40 058 852)
Impairment losses	(659 342)	(121 289)	(33 205)	(7 604)	(269 391)	(35 689)	(2 068)	--			(964 006)	(164 582)
Other expenses	**(5 994 502)**	**(2 631 920)**	**(301 886)**	**(165 005)**	**(2 449 205)**	**(774 442)**	**(63 175)**	**(3 611 476)**	**--**	**--**	**(8 808 768)**	**(7 182 843)**
(Losses)/Result from operating activities	(1 217 367)	1 200 216	(61 307)	75 248	(497 384)	353 163	16 597 904	12 447 437	--	--	14 821 846	14 076 064
Investment income	--	--	--	--	--	--	--	--	9 425 871	1 653 251	9 425 871	1 653 251
Net (expenses) / finance income	**(221 438)**	**2 176 091**	**(11 152)**	**136 340**	**(90 475)**	**640 314**	**818 271**	**731 204**	**--**	**--**	**495 206**	**3 684 040**
Net (loss) / profit before tax	(1 438 805)	3 376 307	(72 459)	211 678	(587 859)	993 478	17 416 175	13 178 641	9 425 871	1 653 251	24 742 923	19 413 355
Deduct:												
Income tax	(562 968)	(1 548 891)	(28 354)	(97 105)	(230 015)	(455 760)	(3 521 128)	(3 630 405)	(2 125 892)	(618 878)	(6 468 357)	(6 351 039)
Net profit for the year	(2 001 773)	1 827 416	(100 813)	114 573	(817 874)	537 718	13 895 047	9 548 236	7 299 979	1 034 373	18 274 566	13 062 316

5. Operating revenue

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Shipping & Discharge		21 860 821	11 739 672
Logistics revenues		59 889 885	46 580 140
Land transportation		89 863 714	78 183 388
Additional services		7 160 642	5 819 793
Storage		12 861 450	7 704 618
Free zone		68 146 761	36 704 255
Other income		9 420 362	6 489 510
Cleaning Containers		24 312 205	22 843 720
		293 515 840	**216 065 096**

6. Operating cost

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Shipping & Discharge		16 701 373	9 385 765
Logistics costs		51 163 974	39 889 494
Land transportation		68 601 616	59 552 029
Additional services		5 238 374	4 037 852
Storage		9 838 736	6 957 564
Free zone		54 715 808	27 993 923
Misllenous		7 255 935	6 836 390
Cleaning Containers		4 795 228	4 337 977
		218 311 044	**158 990 994**

7. Other income

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Technical support Revenue		470 100	466 200
Other revenue		60 416	356 694
Indemnity		522 242	23 740
Board of Directors Bonuses from Barwill egytrans profits	(29-1)	--	223 080
Capital Gain		700 526	--
Surplus from accrued adjustments to General Authority for Investment and Free Zones		--	3 033 413
Provisions no longer required		147 071	1 200 000
		1 900 355	**5 303 127**

8. Other expenses

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Formed Provisions		2 000 000	5 921 104
Symbiotic contribution for comprehensive health insurance	(25)	853 508	652 320
Others		5 955 260	609 419
		8 808 768	**7 182 843**

9. Impairment loss

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Impairment loss in the value of trade receivables and debtors	(34)	975 267	164 582
Reversal of impairment loss in bank deposits	(34)	(11 261)	--
		964 006	**164 582**

10. General and administrative expenses

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Wages and salaries		27 926 603	22 408 884
Board of Directors Bonuses and Allowances		3 495 667	3 312 000
Property, plant and equipment depreciation	(13)	6 735 165	3 571 720
Travel & transportation		2 328 418	585 230
Subscriptions and fees		519 495	608 338
Rentals		179 302	1 949 924
Telephone & fax		156 268	74 187
Hospitality and reception		512 798	120 568
Professional fees		2 591 856	1 848 379
Maintenance, cleaning and security		857 353	877 677
Insurance		250 399	254 145
Utilities		323 192	356 546
Bank charges		441 263	313 948
Computer expenses		967 346	977 723
Public relations and investors		1 302 550	993 495
Others		1 916 184	1 806 088
		50 503 859	**40 058 852**

11. Investments income from associates

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Barwill Egytrans Agencies Company		9 425 871	1 653 251
		9 425 871	**1 653 251**

12. Finance income/ expenses

12-1 Finance income

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Credit interest	(39-18-ii)	2 380 138	4 165 138
		2 380 138	**4 165 138**

12-2 Finance expenses

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Foreign currencies exchange difference	(39-2)	304 005	291 597
Lease contracts interest	(28-2)	1 580 927	189 501
		1 884 932	**481 098**
Deduct:			
Capitalized interest expense		--	(754 181)
		098 481	**274 920 4**

13. Property, plant and equipment

(I/S Figures In EGP)

	Note No.	Land*	Building **	Vehicles	Computers	Tools & Equipment	Installations	Furniture & Fixtures	Right of use assets ****	Total
Cost as of January 1st , 2021		**19 722 950**	**70 233 468**	**61 981 190**	**6 208 087**	**51 944 053**	**1 417 787**	**5 083 291**	**3 192 639**	**219 783 465**
Additions During the Year		--	--	1 198 350	687 587	792 554	3 156 062	981 139	474 587	7 290 279
Disposals during the year		--	--	(771 015)	(114 093)	(43 996)	(66 058)	(195 258)	--	(1 190 420)
Foreign entities translation differences	(39-3)	--	(102 987)	(2 467)	(5 244)	(36 356)	(415)	(3 535)	--	(151 004)
Cost as of December 31, 2021		**19 722 950**	**70 130 481**	**62 406 058**	**6 776 337**	**52 656 255**	**4 507 376**	**5 865 637**	**3 667 226**	**225 732 320**
Accumulated Depreciation as of January 1st , 2021		--	**39 410 541**	**17 876 884**	**5 671 889**	**25 887 174**	**1 315 464**	**3 966 663**	**1 910 924**	**96 039 539**
Depreciation during the year		--	1 969 113	3 902 907	335 626	843 094	13 188	205 307	955 466	8 224 701
Accumulated depreciation of disposals during the year		--	--	(771 006)	(113 652)	(43 994)	(66 050)	(191 242)	--	(1 185 944)
Foreign entities translation differences	(39-3)	--	(68 734)	(2 018)	(3 916)	(36 568)	(415)	(2 601)	--	(114 252)
Accumulated Depreciation as of December 31, 2021		--	**41 310 920**	**21 006 767**	**5 889 947**	**26 649 706**	**1 262 187**	**3 978 127**	**2 866 390**	**102 964 044**
Net property, plant and equipment as of December 31, 2021		**19 722 950**	**28 819 561**	**41 399 291**	**886 390**	**26 006 549**	**3 245 189**	**1 887 510**	**800 836**	**122 768 276**
Net property, plant and equipment as of December 31, 2020		**19 722 950**	**30 822 927**	**44 104 306**	**536 198**	**26 056 879**	**102 323**	**1 116 628**	**1 281 715**	**123 743 926**
Fully Depreciated Assets and still in use as of December 31, 2021		--	**26 283 901**	**1 732 779**	**5 313 918**	**22 897 139**	**1 235 471**	**3 084 638**	--	**60 547 846**
Cost as of January 1st , 2020		**19 722 950**	**71 263 336**	**61 532 611**	**6 073 229**	**52 299 401**	**1 321 725**	**4 828 781**	**3 192 639**	**220 234 672**
Additions During the Year		--	--	468 684	189 913	4 474	100 214	308 367	--	1 071 652
Disposals during the year		--	--	--	(3 110)	--	--	(19 320)	--	(22 430)
Foreign entities translation differences	(39-3)	--	(1 029 868)	(20 105)	(51 945)	(359 822)	(4 152)	(34 537)		(1 500 429)
Total Cost as of December 31,2020		**19 722 950**	**70 233 468**	**61 981 190**	**6 208 087**	**51 944 053**	**1 417 787**	**5 083 291**	**3 192 639**	**219 783 465**
Accumulated Depreciation as of January 1st , 2020		--	**38 092 583**	**14 407 556**	**5 428 343**	**25 319 026**	**1 313 588**	**3 808 075**	**955 462**	**89 324 633**
Depreciation during the year		--	1 981 959	3 489 435	297 908	905 374	6 028	211 252	955 462	7 847 418
Accumulated depreciation of disposals during the year		--	--	--	(3 110)	--	--	(19 319)	--	(22 429)
Foreign entities translation differences	(39-3)	--	(664 001)	(20 107)	(51 252)	(337 226)	(4 152)	(33 345)	--	(1 110 083)
Accumulated Depreciation as of December 31, 2020		--	**39 410 541**	**17 876 884**	**5 671 889**	**25 887 174**	**1 315 464**	**3 966 663**	**1 910 924**	**96 039 539**
Net property, plant and equipment as of December 31,2020		**19 722 950**	**30 822 927**	**44 104 299**	**536 198**	**26 056 886**	**102 323**	**1 116 628**	**1 281 715**	**123 743 926**
Net property, plant and equipment as of December 31,2019		**19 722 950**	**33 170 753**	**47 125 048**	**644 886**	**26 980 382**	**8 137**	**1 025 137**	**2 237 177**	**130 910 039**
Fully Depreciated Assets and still in use as of December 31,2020		--	**26 309 069**	**2 586 488**	**4 912 046**	**22 618 068**	**1 301 737**	**3 006 354**	--	**60 733 762**

* Land opening balance Which represent value of new administrative Building›s land according to final sale contract dated February 4th , 2018 and this land is being authenticated in the name of the company .
** Egytrans Depot solutions (subsidiary company) Building located on a land leased for ten years ended in March 31,2024.

**** Rights of use Assets represent:

Rent of “5” head tractors Mercedes and “2” semi-trailer from corelease corporate leasing company for financial lease in addition to “2” photocopiers Xerox from incolease company for financial lease information as following:

(I/S Figures In EGP)

Description	Rent Value Contractual value	Interest Accured	Contract Time Monthly	Purchasing value at the end of the contract	Rent Value
"5" head tractors Mercedes	4 851 163	1 102 149	60	1	190 433 per quarter
"2" semi-trailer	1 273 556	331 213	60	1	57 228 per quarter
"2" photocopiers Xerox	240 000	68 092	60	1	4 000 monthly
Subaru car	556 780	133 872	20	1	27 839 per quarter

14. Intangible assets (net)

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Oracle ERP System	2 047 012	2 047 012
OTP program	2 698 490	2 698 490
VOIP program	429 623	429 623
Programs & other Assets	685 258	615 433
	5 860 383	**5 790 558**
Deduct:		
Accumulated Amortization at the beginning of the year	(4 922 490)	(4 223 726)
Amortization during the year	(699 379)	(698 764)
Accumulated Amortization at the end of the year	(5 621 869)	(4 922 490)
Net Intangible Assets	**238 514**	**868 068**

15. Projects under construction

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
New Administrative Building at Alexandria *	(32)	21 685 900	3 171 125
Installations -branches of the company		806 603	--
Vehicles and transportations**		20 254 153	--
		42 746 656	**3 171 125**

16. Investments in associates (net)

(I/S Figures In EGP)

	Percentage Paid from Invested	Percentage of contribution	31/12/2021	31/12/2020
The cost of investment in the capital of Damietta Feeder Terminal Company (DFTC) (S.A.E)	100%	20%	885 000	885 000
The cost of investment in the capital of Barwill Egytrans Shipping Agencies Company (S.A.E)	100%	30%	7 172 058	600 000
The cost of investment in the capital of Scan Arabia Shipping Agencies Company (S.A.E)	100%	30%	225 000	225 000
			8 282 058	**1 710 000**
(Deduct):				
Impairment loss in the value of investments in associates			(1 110 000)	(1 110 000)
			7 172 058	**600 000**

17. Goodwill

The balance which amounted L.E 2 423 623 on December 31, 2021 represents the value of recognized Goodwill as a result of the acquisition of the company's share in the subsidiaries companies and their information as follows:

- This item represents Goodwill Acquired:

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Egyptian Transport & Logistics Company (ETAL)	2 172 000	2 172 000
Egytrans Depot Solutions	251 623	251 623
	2 423 623	**2 423 623**

18. Inventory

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Equipped Vehicles (Egytrans Free Zone Services)		4 444 600	3 920 000
Chemicals inventory		23 553	47 479
Spare parts inventory		2 092 239	752 695
Goods in transit		131 319	384 035
Other inventory		138 877	106 624
		6 830 588	**5 210 833**

19. Trade & notes receivable (net)

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Trade receivables	(39-8)	74 465 047	72 301 528
Notes receivables		669 289	55 139
		75 134 336	**72 356 667**
Deduct:			
Impairment loss in the value of Trade receivables & notes receivables *		(2 806 129)	(1 846 610)
		72 328 207	**70 510 057**

* Impairment loss in the value of Accounts receivable and notes receivable:

(I/S Figures In EGP)

Balance at 1/1/2021	Formed During the year	Adjustments During the year	Balance at 31/12/2021
1 846 610	960 229	(710)	2 806 129
1 846 610	**960 229**	**(710)**	**2 806 129**

20. Debtors & other debit balances (net)

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Advances Suppliers		1 633 364	170 663
Accrued Revenue		5 364 370	4 701 216
Deposits held with others		1 352 414	1 325 248
Letter of guarantee Covers	(31)	8 576 243	9 026 200
Agents debit balances - Official receipts		13 800 344	10 829 771
Tax Authority *		13 933 071	12 948 950
Prepayment Expenses		1 624 271	1 459 221
Other Debtors		593 148	711 828
		46 877 225	**41 173 097**
Deduct:			
Impairment loss in the value of debtors and other debit balances		(294 526)	(9 071)
		46 582 699	**41 164 026**

* This balance includes an amount of LE 12.7 Million which represent advanced payments for income tax due where the company has registered in the advance payment system according to the approval issued from large tax payers center.

21. Cash on hand & in banks

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Bank Current Accounts		35 260 744	47 971 897
Time deposits *		4 898 294	58 905 511
Checks under collection		--	196 486
Cash on hand		999 627	1 495 334
Cash and cash equivalent balances		**41 158 665**	**108 569 228**
Deduct:			
Pledged Time deposits against Letters of Guarantee *	(28)	(4 898 294)	(2 229 518)
Cash and Cash equivalent at the end of the year for the purpose of the consolidated statement of cash flow		**36 260 371**	**106 339 710**
(Deduct):			
Impairment loss in bank deposits balances		(59 712)	--
Cash and cash equivalent		**36 200 659**	**106 339 710**

* Time deposits in local currency in the amount of LE 4 898 294 representing time deposits at bank Audi, Commercial International Bank Egypt and (Saib) against letters of guarantee issued by the company.

22. Capital share

Egyptian transport & commercial services company (egytrans) – holding company

22-1 Authorized capital

The authorized capital amounting LE 1 billion represented in 200 million shares of a par value LE 5 / share and this after its increase from LE 100 Million to LE 1 billion according to the Extraordinary General Assembly decree dated December 6, 2009 and the authorized capital has been registered in the Commercial register. As the Extraordinary General Assembly held on December 16,2021 agreed on reducing the authorized capital amounted LE 750 Million, as currently the legal and administrative procedures are undertaken to be authenticated.

22-2 Issued & paid up capital

Issued and paid-up capital amounted to LE 156 062 500 represented in 31 212 500 share of a par value LE 5 / share

According to the Extraordinary General Assembly decree dated March 30, 2014 the shares par value was modified to be L.E 5, instead of L.E 10. Therefore, the issued and paid-up capital will be LE 156 062 500, divided over 31 212 500 shares of L.E 5 par value each.

The Extraordinary General Assembly meeting held on December 6, 2009 approved to increase the issued capital by L.E 200 million to be L.E 256 062 500 divided into 25 606 250 shares of L.E 10 par value each. The board of directors was delegated to call the capital increase according to projects time schedule. The board of directors decided to call only L.E 100 million which was paid in full according to Arab African Bank's letter. This increase was registered in the commercial register on April 14th, 2010 rendering the paid-up and issued capital to be L.E 156 062 500.

According to the Board of directors meeting held on November 21,2021, the Board of directors decided to approve on dividing the nominal value per share, to become with a value of LE 1 instead of LE 5, as the company's Extraordinary General Assembly held on December 16, 2021 approved the division of the Nominal value per share, as the legal and administrative procedures are in progress to be authenticated.

The company's capital structure is as follows as of December 31, 2021:

(I/S Figures In EGP)

Share holder's name	Nationality	No. of shares	Contribution Percentage	Par value of shares
National 1nvestment Bank	Egyptian	7 882 030	25.25%	39 410 150
Mr. Mohamed Ashraf Omar Omar	Egyptian	6 414 247	20.55%	32 071 235
Mr. Raed Ben Abdelrahman Abdelaziz Elmeshael	Saudi Arabian	3 185 041	10.20%	15 925 205
Mr. Mohamed Ismail Hosny	Egyptian	3 428 000	10.98%	17 140 000
Advanced projects and systems company ADCOM	Egyptian	178 201	0.57%	891 005
Ms. Abir Wael Sedeek Leheta	Egyptian	1 490 876	4.78%	7 454 380
Ms. Heba Wael Sedeek Leheta	Egyptian	1 325 184	4.25%	6 625 920
Ms. Amani Wael Sedeek Leheta	Egyptian	1 076 088	3.45%	5 380 440
Other shareholders	Egyptian	6 232 833	19.97%	31 164 165
		31 212 500	**100%**	**156 062 500**

23. Reserves

23-1 Legal reserve

According to the holding Company's bylaws, 5% of the net profit is set aside to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital, if the reserve falls below the defined percentage then the Company is required to continue setting aside more reserves.

The legal reserve has been endorsed with an amount of LE 693 436 rom the net profit for the financial year ended December 31, 2020 according to the company's Ordinary General Assembly decree dated March 30, 2021 to reach an amount of LE 15 153 592 on December 31, 2021.

23-2 Capital Reserve

Reserves other than legal reserve is used or endorsed based on the board of directors' proposals and the approval of the company's General Assembly and the reserve recognized in the financial statements was formed based on the approval of the General Assembly during the previous years.

23-3 Reserve translation differences

The reserve translation differences consist of an amount of LE 14 797 684 which represent the currency differences resulted from the translation of the financial statement for Egytrans Depot Solutions Company (subsidiary company) and from the translation of the financial statement of Egytrans Project for free zone services (Free Zone Branch).

23-4 The impact of the initial implementation of the accounting standard number "47 "financial instruments:

The retained earnings balance as of January 1, 2021 reduced by LE 341 389 as a result of implementing the Egyptian accounting standard number "47" Financial Instruments.

24. Provisions

(I/S Figures In EGP)

	Balance as of 1/1/2021	Formed during the year	Provisions No Longer the year	Adjustments required	Used during the year	Balance as of 31/12/2021
Provision for claims	10 610 370	2 000 000	(147 071)	(6 733)	(2 329 690)	10 126 876
	10 610 370	**2 000 000**	**(147 071)**	**(6 733)**	**(2 329 690)**	**10 126 876**

The provision for claims consists of the value of claims for undetermined liabilities and amount in respect of the Company's activities. The management reviews these provisions annually and adjusts the amount of the provision in accordance with the latest developments, discussions and agreements with those parties and these provisions are recognized in the consolidated profits or losses statements.

The information regarding the provision has not been clarified as usual in the disclosure according to the E.A.S number (28) "provisions, contingent assets and contingent liabilities" as the company's management believes that it will have a relevant effect on the final settlements for those potential claims.

25. Trade and other payables

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Trade payables		16 981 656	12 404 178
Notes payables		6 184 952	--
Agents- credit balances		551 641	16 425 893
customers- advance payments		11 544 963	33 085 430
Accrued Expenses		6 889 137	5 951 621
Deposits from others		3 404 662	2 346 689
General Authority for social insurance		439 600	361 328
Tax authority		1 490 169	2 520 145
Dividend payable		358 605	69 120
Symbiotic contribution to the comprehensive health insurance system		847 146	645 806
Other credit balances		2 306 816	1 219 997
		50 999 347	**75 030 207**

26. Notes payable

26-1 Long term notes payables

(I/S Figures In EGP)

	note No.	31/12/2021	31/12/2020
Long term notes payables		26 618 462	--
Deduct:			
Long term deferred interest expense		(3 066 661)	--
		23 551 801	**--**

26-2 Short term notes payables

(I/S Figures In EGP)

	note No.	31/12/2021	31/12/2020
Short term notes payables		7 967 322	--
Deduct:			
Short term deferred interest expense		(1 782 370)	--
		6 184 952	**--**

27. Lease contracts liabilities

(I/S Figures In EGP)

	Note No.	31/12/2021	31/12/2020
Balance at the beginning of the year		946 527	1 774 501
Deduct:			
Paid during the year		(777 933)	(827 974)
Balance at the end of the year		**168 594**	**946 527**
Deduct:			
Installments due within one year		(168 594)	(777 934)
Ending balance of long-term lease contracts liabilities	**(13)**	**--**	**168 593**

28. Assets and lease liabilities

28-1 Right of use of assets

Right of use represented in leasing the company's premises port said, airport and company's administrative building at Merghem branch and the land of the buildings of Egytrans Depot Solutions Company (Subsidiary company):

(I/S Figures In EGP)

	31/12/2021
Balance as of January 1, 2021	--
Additions during the year	9 695 878
Translation differences	(2 031)
Balance as of December 31, 2021	**9 693 847**
Amortization	
Balance as of January 1, 2021	--
Amortization during the year	(3 708 073)
Translation differences	625
Balance as of December 31, 2021	**(3 707 448)**
Net book value as of December 31, 2021	**5 986 399**

The Egyptian Accounting Standard No. (49) has been applied during the year. Right of use assets and lease liabilities recognized from the beginning of January 1st, 2021. And the right of use assets' additions represented in leasing company's headquarters port said, airport and company's administrative building at Merghem branch.

28-2 Lease contracts liabilities

The present value of total liabilities resulted from the right of use amounted as following:

(I/S Figures In EGP)

	31/12/2021
Total of non-paid lease liability	10 415 424
Lease contracts interests	(2 840 684)
Net present value of lease liability from right of use	**7 574 740**
Deduct:	
Payments during the year	(1 248 308)
Balance	**6 326 432**
Deduct:	
Current portion of lease liability	(2 524 374)
Non-current portion of lease liability	**3 802 058**

27-3 Effect on profit or loss statement

(I/S Figures In EGP)

	note No.	31/12/2021	31/12/2020
Right of use of assets amortization during the year	(28-1)	3 708 073	--
Interest expense from lease liability	(12-2)	782 072	--
Rent expenses		--	3 561 702
		4 490 145	**3 561 702**

29. Related parties

Transactions with related parties represent the company's transactions with companies in which the company contributes, and the companies owned by its shareholders have a significant influence and control and board of director members prior approval on these transactions was obtained from the General Assembly.

Transaction and balances with related parties are as follow:

29-1 Due from Related Parties

(I/S Figures In EGP)

	Relationship	Nature of Transactions	Value of Transactions	Balance as of 31/12/2021	Balance as of 31/12/2020
Damietta Feeder Terminal Company	Associate	Financial transactions	--	964 185	
Barwil Egytrans Shipping	Associate	Dividends	2 853 813	575 285	--
Agencies Company		Technical support	535 914		
		Financial transactions	(2 814 442)		
				1 539 470	**964 185**
Deduct:					
Impairment loss in the due from related parties				(964 185)	(964 185)
				575 285	**--**

29-2 Due to Related Parties

(I/S Figures In EGP)

	Relationship	Nature of Transactions	Note No.	Value of Transactions	Balance as of 31/12/2021	Balance as of 31/12/2020
Shareholders current account	Shareholders	Financial transactions	--	--	417	417
Board of director member and committees' members	Board of director and committee members	Board of directors committee meeting attendance*		396 150	396 150	346 750
					396 567	**347 167**

* The amounts represent the value of board of directors committee work attendance for the non- executive and independent committee members with experience and are approved from the company's Ordinary General Assembly held at March 30,2021.

30. Tax

30-1 Income Tax

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Current income tax expense	3 475 453	4 289 187
Deferred tax expenses	867 013	721 613
Investment dividend tax expense	2 125 891	618 878
Income tax differences resulted from prior years tax inspection	--	721 361
	6 468 357	**6 351 039**

30-2 Deferred assets and liabilities tax

- The balance of the deferred assets and liabilities tax represent the following:

(I/S Figures In EGP)

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Deferred tax				
Property, plants and equipment	--	12 239 972	--	11 440 462
Assets right of use	--	142 255	--	75 419
Total of deferred tax resulted in liability	**--**	**12 382 227**	**--**	**11 515 881**
Net deferred tax resulted in liability	--	12 382 227	--	11 515 881
Add/(Deducted):				
Adjustments resulted from lease contracts		667		5 799
Deferred tax previously charged to the Consolidated profits or losses statement		(11 515 881)		(10 800 067)
Deferred tax charged to the Consolidated Profits or losses statement for the year		**867 013**		**721 613**

30-3 Unrecognized deferred tax

The deferred tax assets are not recognized for the following items::

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Impairment in due to related parties	340 364	216 942
Impairment in trade, notes receivables , other debit balances and time deposits	648 431	417 528
Provisions	2 793 447	2 387 333
Impairment in the value of investment in Associates	362 237	249 750
Tax loss	1 104 431	--
Total	**5 248 910**	**3 271 553**

The deferred tax assets related to these items are not recognized as the conditions for the tax deductions are not met, or the lack of appropriate level of assurance that these assets can be benefited from.

30-4 Income Tax

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Current income tax	3 472 125	4 255 229
Advance payments-tax authority	(699 794)	(3 017 362)
Accrued interest on advance payment – tax authority	(88 967)	(268 206)
	2 683 364	**969 661**

31. Contingent Liabilities

The value of contingent liabilities represented the value of uncovered letters of guarantees from company's bank accounts to others except the value of letters of guarantees covered with time deposits are represented as follow:

(I/S Figures In EGP)

	31/12/2021	31/12/2020
The letters of guarantees in EGP	23 543 663	13 148 663
The letters of guarantees in USD	64 117	64 117
The letters of guarantees in Euro	10 000	10 000

32. Capital commitments

The capital commitments amounted to zero at December 31, 2021(comparing to LE 26 Million at the comparative year).

33. Non-monetary transactions

For the preparation of the cash flow statement purposes the following change value in assets and liabilities elements is disposed and the non-cash transaction is represented as follows:

(I/S Figures In EGP)

	Note No.	31/12/2021
Dividends payables	(25)	289 399
Retained earnings		(289 399)
Right of use of assets	(28-1)	9 693 847
Lease contracts liabilities	(27),(28-2)	9 693 847
Notes payables	(26)	32 578 322
Deferred interest expenses	(26)	(4 999 800)
PPE and Projects under progress	(15),(13)	27 729 292
Retained earnings		(341 391)
Trade and other receivables	(20),(19)	(270 418)
Cash and cash equivalent	(21)	(70 973)
Right of use of assets	(28-1)	474 587

34. Objectives and Policies of Financial Instruments Risk Management

The company is subject to the following risks resulting from using the financial instruments:

1. Credit risk
2. Market risk
3. Liquidity risk

This note introduce information about the company's exposure to the risks mentioned above , and the company's objectives , policies and operations regarding the risks' measurement and management.

The company's board of directors bears the responsibility of developing a framework for risks management and the company's top management bears the responsibility of developing and adopting the risk management policies and submitting reports to the board of directors which includes the company's activities on regular basis.

The current financial risk management framework in the company is a combination of risks management policies officially authenticated in certain fields and from risk management policies which are not officially authenticated, used in others fields.

a. Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of the failure of the customer or counterparty to a financial instrument to fulfil its contractual obligations, and arises mainly from trade receivables of customers, notes receivables, due from related parties, in addition to its financial activities including the banks' balances.

Trade and notes receivables

The credit risk arises based on a policy, procedure, the company's control system regarding risk management, the customers' credit ability is measured based on the credit card performance for each customer and a credit limit is determined based on this assessment and the company's revenues is related to the customers with high financial solvency in addition a part of the company's revenues is collected in cash once the service is performed, the customers' outstanding balances are controlled regularly. The company perform an impairment study in each financial year.

The maximum limit to be exposed to these risks is restricted with the balances detailed (Note no19,20) after deducting the prepaid expenses, advance to suppliers and tax authority balances.

Other financial assets and cash time deposits

Considering the credit risk resulted from the company's other financial assets with the amortized cost, the company is exposed to credit risks due to the failure of the counterparty to fulfill the maximum limit payment to be equivalent to the assets' book value.

The financial sector is responsible of credit risks management arising from banks balances, the company limits its exposure to credit risks through deposit balances at banks with a good reputation. The local banks are subject to central bank supervision, so the credit risk exposure limit is restricted with the balances detailed in Note No.21.

Due from related parties

The due from related parties is considered with minimum credit risk limit and the maximum exposure is equivalent to its book value.

Investment

The company limit its exposure to credit risk through preparing a detailed investment study which is revised by the company's board of directors. The company has no expectation about the failure of any counterparty to fulfill its obligations.

b. Market risk

The market risks generated from fluctuation of the fair value for the company's financial instrument future cash flows as a result of the changes in the market prices, such as foreign currencies exchange rates risk and interest rates risk, as those risks effect the company's income, and the financial instruments that is affected by market risks include the loans with an interest and time deposits, as the aim from managing the market risks is managing and controlling the risks within an acceptable range, as in the same time achieving profitable returns. The company does not maintain or issue derivative financial instruments.

Exposure to Interest rate risk

Interest rate risk generated from fluctuation of the fair value or company's financial instrument future cash flows as a result of the changes in the interest rates in the market. As the company's exposure to the risk of interest rate in market is directly attributable mainly to the company's liabilities with a variable interest rate and time deposits with interest.

The company's financial instruments interest rate, is demonstrated at the date of the consolidated financial statement:

(I/S Figures In EGP)

	31/12/2021	31/12/2020
Financial instruments with variable interest rate		
Financial assets	41 158 665	108 569 228
Financial liabilities	6 495 026	946 527

The exposure to foreign currency exchange rate

As shown in the table below to what extent a potential acceptable change in USD and Euro exchange rates. Maintaining all the other variables consistent, the impact on the company's dividends before the company is subject to tax, is due to the changes in the value of cash assets and liabilities.

The changes in the other foreign currency exchange rate are not significant.

The cash liabilities and assets with a foreign currency is equivalent to LE 71 659 554 and LE 51 200 009 at the financial position date, (2020: LE 78 351 581 and LE 46 668 383) respectively as illustrated in the detailed net foreign currency exchange at the financial position date:

(I/S Figures In EGP)

	31/12/2021 surplus/ (shortage)	31/12/2020 surplus/ (shortage)
Foreign currency		
USD	843 351	10 697
Euro	225 921	87 629
Pound Sterling	68 910	80 808
Swedish kroner	1 104 569	984 731
Chinese yuan	(81 737)	(491 872)

c. liquidation risk

The Company's management issues the cash flows, and the requirements of financing and liquidity related to the company. As the company's aim is to achieve a balance between the continuity of the financing and the flexibility through acquiring bank facilities in case of requiring it. As the company manage the liquidity risk through maintaining a sufficient reserve, as monitoring the expected and actual cash flows on a continuous basis and reconciling between the accrual of financial assets and liabilities.

The company has a sufficient cash for paying their expected operating expenses, including the financial liabilities.

As the table below summarize the company's financial liabilities due dates according to the nondeductible contractual installment.

(I/S Figures In EGP)

In December 31, 2021	Book value	Less than year	From 1 to 2 years	From 2 to 5 years and more
Trade payables and other credit balances	30 492 517	30 492 517	--	--
Lease contracts liabilities	6 495 026	2 692 968	918 786	2 883 272
Other liabilities	23 948 368	23 602 672	172 680	173 016
Total	**60 935 911**	**56 788 157**	**1 091 466**	**3 056 288**

In December 31, 2020	Book value	Less than year	From 1 to 2 years	From 2 to 5 years and more
Trade payables and other credit balances	75 030 207	75 030 207	--	--
Lease contracts liabilities	946 527	777 934	168 593	--
Other liabilities	347 167	347 167	--	--
Total	**76 323 901**	**76 155 308**	**168 593**	**--**

35. The capital management

The objectives of the Company in managing capital include capital, issued capital and all other equity reserves regarding the company shareholders.

As the company manages the capital structure and adjusts it according to the changes in work conditions to face changes in company's activities, No change has been proceeded on the company's goal, polices or operations during the year, the company isn't subject to any external requirements imposed on the company's capital.

36. Goverance situation improvement

The company practices and implements the principles of corporate governance to arrange the relationship between the company's management, Board of directors, Stakeholders and other shareholders by creating a system that achieves transparency and equity as since year 2006 the company prepared several l effectiveness policies like the disclosure policy, controlling the internal trading of shares policy , authority succession policy, compensatory controls policy and risks policy also the company prepared its own corporate governance framework, these policies are reviewed annually to ensure its effectiveness as well as the board of directors framework in which all members have to comply with in addition to the continuous disclosure of all the substantial events that take place as they happen to the financial statements users through the stock exchange' s disclosure department or the company's relations website.

37. Tax status

According to the tax position received from the tax consultant, the tax position at December 31, 2021 as follows:

37-1 Egyptian transport & commercial services Company (Egytrans) (Holding company)

First: tax on profits of juridical persons (corporate tax):

The company submits its tax return of corporate tax to the competent tax authority annually in its legal due date. In addition, it pays the due tax as per these tax returns – if any – In general, in accordance to the tax system applied in Egypt the accrued final tax obligation to the tax authority will not be accurately determined unless after the tax inspection by the tax authority and the determination of final assessment.

Years from the start of business till 2016:

Tax inspection was performed to the company and all disputes were settled according to the committees' decisions issued for this matter, and there is no due tax for this period.

Period from 2017 / 2020:

A tax inspection was requested and the documents are prepared and submitted to the tax authority and the inspection date will be determined.

Second: Payroll Tax:

Years from the start of business till 2018:

Tax inspection was performed, and all disputes were finalized and there is no due tax for this period.

Years from 2017 till 2020::

The company satisfies all the tax obligations in term of deducting and paying the tax monthly according to the articles of law and there is no request to inspect this period.

Third: Stamp tax:

Years from the start of business till 2018:

Tax inspection was performed, and all disputes were finalized and there is no due tax for this period.

Years 2019/2020:

A tax inspection was requested and the documents are prepared and submitted to the tax authority and the inspection date will be determined.

Fourth: Sales tax / Value added tax:

Years from the start of business till 2015:

Tax inspection was performed, and all disputes were finalized and there is no due tax differences for this period.

Years from 2016 till 2019

Tax inspection was performed and the company has appealed and the case was transferred to the large tax payers center.

Year 2020

Tax inspection wasn't performed.

Fifth: Real Estate tax:

Tax payment is performed on regular basis according to claims received related to this matter.

37-2 Egyptian Transport and Logistics Company (ETAL) (subsidiary company)

According to tax status issued by the company's independent tax consultant, the company's tax status as of December 31, 2020 as the following:

First: Tax on profits of legal persons (corporate tax):

The company submits its tax return of corporate tax to the competent tax authority annually in its legal due date. In addition, it pays the due tax as per these tax returns – if any – In general, in accordance to the tax system applied in Egypt the accrued final tax obligation to the tax authority will not be accurately determined unless after the tax inspection by the tax authority and the determination of final assessment.

Period from the start of the business till 2010:

Tax inspection was performed for this period and tax due was paid and no tax due for this period.

Years 2011/2012:

These years are not recognized in the sample so the authority claim will not be considered regarding proceeding any adjustments on submitted tax returns as they are considered to be final and are not permitted to be adjusted.

Years from 2013 till 2016:

Tax inspection was performed by the competent authority and the company was notified with the result of inspection, objection was made in the legal due date and the dispute is being discussed before dispute settlement committee and the dispute was transferred to the internal competent committee and the date to discuss the aforementioned matter has not been determined to date.

Years from 2017 till 2020:

the company satisfied all its obligations to the Egyptian tax authority in term of the submission of the tax return it in its legal due date according to the article of law 91 of year 2005 that oblige the tax authority to inspect annually the tax payers returns according to the sample determined by the ministry of finance. If the company does not exist in the selected sample for tax inspection so its tax return considered final and no tax inspection was performed for this period.

Second: Payroll Tax:

Period from the start of the business till 2016:

Tax inspection was performed and No tax due for this period.

Years from 2017 till 2020:

Tax inspection was requested for this period

Third: Sales tax / Value added tax:

The company submits its value added tax return on regular basis.

Period from the start of the business till 2015:

Tax inspection was performed for this period and all tax differences was settled and there is no tax due.

Years from 2016 till 2018:

Inspection was requested by the authority and the preparation for the tax inspection is in process.

Fourth: Stamp tax

Period from 1/8/2006 till 2016:

Tax inspection was performed and tax differences amounted LE 11 601 including delay penalty and objection was made in the legal due dates, and the dispute is being discussed in the internal committee at the tax authority

Years from 2017 till 2020:

Tax inspection was requested for this period.

Fifth: Withholding tax:

Periods from the start of business till 2015:

Tax inspection was performed from the tax authority of withholding tax and the inspection resulted in an amount of LE 131 831, and the company has objected in legal due dates and the dispute is being discussed to the internal committee.

Years from 2016 till 2019

Tax inspection wasn't performed for these years till now.

37-3 Egytrans Bargelink Company (Subsidiary company):

According to the tax position, received from consultant, the tax position at December 31, 2021, as follows

Corporate tax:

The company submits its tax return of the corporate tax to the competent tax authority annually in its legal date in addition it pays the tax due as per these tax returns. -if any- In general, in accordance to the tax system applicated in Egypt the final tax due to the tax authority will not be accurately determined unless after the tax inspection by the tax authority and the determination of final assessment through internal committee or appeal committee or the court.

Tax inspection is being performed for the company from the start of the business till 2014.

Tax inspection was performed for the years 2015 and 2016, the tax return has been received and appealed on in order to issue the decision of reinspection based on the books and the company's accounts.

Tax authority hasn't notified the company with any tax inspections for the years 2017 till 2020

The company submits its tax return in its legal due date, and it pays the due tax as per the tax returns.

Payroll Tax:

The company pays and its due tax in its legal date according to the articles of law.

Tax inspection was performed since the establishment till December 31,2011 and the company has no tax due.

Tax inspection is performed for the company for the years 2012 till 2018 and no tax due.

Tax authority hasn't notified the company with tax inspection for the years 2019 and 2020, tax due and the objection took palace in legal due date and the dispute is taking place with the internal committee.

Stamp Tax:

Tax inspection was performed for the company from year 2009 till year 2014 and the company paid the due tax and there is no taxes due till this date.

Tax inspection is performed for the years 2015 till 2018 and the company hasn't been notified with tax inspection results till now.

Tax inspection wasn't performed for the years 2019 and 2020.

37-4 Egytrans River Ports Company (Subsidiary Company)

According to the tax position, received from consultant, the tax position at December 31, 2021, as follows:

Corporate tax:

The company submits its tax return of the corporate tax to the competent tax authority annually in its legal date.in addition it pays the accrued tax as per these tax returns. -if any- In general, in accordance to the tax system applicated in Egypt the accrual of final tax obligation to the tax authority will not be accurately determined unless after the tax inspection by the tax authority and the determination of final assessment through the internal committee or the appeal committee or the court.

Tax inspection was performed for the year 2010 till 2014 and all tax differences and penalties are paid for this period.

Tax inspection is being performed from the year 2015 till 2018 and the company has received the tax returns and appealed on legal due dates.

Tax inspection for the year 2019 and 2020 wasn't performed.

Payroll Tax:

Tax inspection was performed for the period from 2015 till 2018 on actual base, the company objected in legal due dates.

Stamp Tax:

Tax inspection was performed for the period from the start of the business till March 2015 and tax inspection was finalized and no tax due on the company.

Tax authority hasn't notified the company with any tax inspection regarding the years from 2016 till 2018.

37-5 Egytrans Depot Solutions Company (subsidiary company):

According to tax status issued by the company's independent tax consultant, the company's tax status as of December 31, 2021 as the following:

Corporate tax:

The company submits its tax return of the corporate tax to the competent tax authority annually in its legal date. in addition it pays the due tax as per these tax returns. -if any- In general, in accordance to the tax system applicated in Egypt the final tax due to the tax authority will not be accurately determined unless after the tax inspection by the tax authority and the determination of final assessment through the internal committee or the appeal committee or the court.

Tax inspection was performed for years 2010 till 2014 and due tax differences and penalties have been paid for this period.

Tax inspection was performed for the years 2013 and till 2016, the model No.(19) was issued and appealed on, and transferred to the internal committee at the tax authority and the tax claims were paid , and the tax return are being issued and the tax and penalties were reconciled.

Tax inspection was not performed for years from 2017 till year 2020.

The company submits its tax return in its legal date, and it pays the due tax as per these tax returns.

Sales tax / Value added tax:

Tax inspection was performed for the period from the start of the business till December 31,2016, the tax was fully paid in addition to the additional due tax and there is no any other due taxes for these period.

Tax inspection is being performed for the years from 2017 till 2019.

The company submits its tax return in its legal date, and it pays the due tax on regular basis as per these tax returns.

Payroll Tax:

Payroll tax inspection was performed for the period from the start of the business till year December 31,2014 and the due tax differences was paid.

Tax inspection was performed for the years from 2015 till 2018 and tax differences due were paid.

Tax inspection was not performed for the years 2019 and 2020.

Stamp Tax:

Tax inspection was performed for the period from the start of the business till December 31,2018 and the due tax differences was paid. In addition to additional due tax.

38. Earnings per share

The earnings per share was determined from the net profit for the financial year ended December 31, 2021 as follows:

(I/S Figures In EGP)

		31/12/2021	31/12/2020
Net Profit for the Year	(LE)	18 273 263	13 061 464
Average number of outstanding shares during the year	(Share)	31 212 500	31 212 500
Earnings per share	**(LE/Share)**	**0.59**	**0.42**

39. Significant Accounting Policies

The accounting policies set out below are applied consistently to all financial years presented in these financial statements. (except as otherwise stated -No. (3-5)).

39-1 Basis of Consolidation

The consolidated financial statements include assets & liabilities & results of operations of The Egyptian Transport and Commercial Services Company (Egytrans) (Holding Company) and all subsidiary companies upon which it has significant control and this control is achieved directly or indirectly by the ability to control the financial & operational policies of subsidiary companies to obtain benefits from its operations, future voting rights in the ability of control are also taken into consideration, the subsidiary companies financial statements are included in the consolidated financial statements from the date of controlling the company to the date of losing this control, a subsidiary company is not included in the consolidated financial statements if the holding company loses its control over the financial & operational policies in the subsidiary and basis of preparation of the consolidated financial statements is represented in the following:

The Holding company investments in the subsidiary companies are excluded in exchange for addition of subsidiary company's assets and presenting non – controlling interest in the subsidiary companies alongside the owner's equity non – controlling interest item.

All intercompany balances and transactions are eliminated, unrealized profits or losses and resulted from group transactions are completely excluded taking into consideration that the losses may refer to impairment in the exchanged assets which may require recognition in the consolidated financial statements.

Presenting share of the non – controlling interest in the subsidiary company in a consolidated account within shareholders equity after shareholder equity and before liabilities in the consolidated financial position and minority interest is also presented in net income for the year after tax in a consolidated account before determining profit of the holding company in the consolidated profits or losses statement and it is calculated by what's equal to their share in the Book value of the net assets of the subsidiary company at the date of preparation of consolidated financial statements and the share of minority in profit and loss of subsidiary companies is recorded in a consolidated account in the consolidated profits or losses statement.

Subsidiary company is not included in the consolidated financial statements when the holding company loses its control over financial and operational policies of the subsidiary company for the purpose of benefiting from its operations.

39-2 Foreign currency translation

The holding company maintains its accounting records in Egyptian pound and transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated financial statements date are retranslated to Egyptian Pound at the exchange rate at that date. Foreign currency differences arising from retranslation are recognized in the consolidated profits or losses statement. Non-monetary assets and liabilities are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Except:

Monetary assets and liabilities in a foreign currency agreed upon its collection or payment according to predetermined exchange rates.

And according to monetary assets and liabilities in a foreign currency which doesn't have prevail exchange rate in exchange for Egyptian pound, its exchange rate is determined by using US dollar as an intermediate exchange rate between currencies and Egyptian pound.

Foreign currency differences resulted from transaction during the year and from retranslation at the date of consolidated financial statements is recognized within consolidated profits or losses statement.

39-3 Financial statements of subsidiary entities in foreign currency

Egytrans for Depots Solutions (subsidiary company) maintains its accounting records in US Dollar, for the purpose of preparation of the consolidated financial statements, the assets and liabilities are translated into Egyptian pound at the closing exchange rate prevailing at the consolidated financial statements date, the consolidated profits or losses statement items are translated into Egyptian pound at the average exchange rate during the financial year, the differences resulted from translation of consolidated financial statements are recognized in shareholder's equity in foreign entities translation differences item (other comprehensive income items) for the consolidated financial statements.

And for the purpose of preparing the consolidated cash flow statement, cash flow statement of above mentioned subsidiary company is translated at the average exchange rate during the financial year.

Financial statements for the company's branch (Egytrans project for free zone services)

The company's branch (Egytrans project for free zone services) maintains its accounting records in USD. For the purpose of the preparation of the consolidated financial statements, the assets and liabilities are translated to Egyptian pounds using the closing rate at the consolidated financial statement date and the profits or losses statement items are translated using the average exchange rate during the financial year in which the consolidated profits or losses statement was prepared and the differences resulted from the financial statements' translation are included in consolidated shareholders' equity in foreign entities translation differences item (other comprehensive income items).

39-4 Property, plant & equipment and depreciation

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation (39-4iii) and accumulated impairment losses (39-11-ii).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as items of property, plant and equipment.

ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item after deducting the replaced part cost if it is probable that the future economic benefits embodied with the part will flow to the company and its cost can be measured reliably. All other costs are recognized in the profits or losses statement as an expense as incurred.

iii) Depreciation

Depreciation is charged to the consolidated profits or losses statement on a straight-line basis over the estimated useful lives of each part of property, plant and equipment, except for the transportation equipment and cranes owed by Egyptian transport and logistic company (ETAL) – subsidiary company that used operating hours. The management reviewed the remaining useful life for the fixed assets periodically to be matched with the prior estimated life, if material discrepancies are found, the depreciation will be calculated over the remaining useful life for these assets.

Description	Estimated Useful Life (Year)
Buildings	10-50
Vehicles	5
Computers	3-4
Machinery and Equipment	3-10
Installations	5
Furniture and Office Equipment	10

The gains and losses resulted from the property, plants and equipment's disposals are determined from comparing the collections from the disposal operation with asstes' book value and are charged to the consolidated profits or losses statement in the revenues and other operating expenses item.

39-5 Intangible Assets

i) Initial Recognition and Measurement

This item represents the value of the cost of obtaining programs expected to be benefited from through selling or operating, and it is recognized with the cost less the accumulated amortization and losses resulted from the impairment value. The item started to be amortized after the completion of its preparation based on the assumption prepared by the company's management which is prepared based on the expected benefits from the sales or operation of the programs and the study is reperformed to ensure that the programs will result in future benefits and its ability to be sold and operate. The programs are amortized using straight line method in case of future benefits. In case of the absence of future benefits the programs are recognized in the consolidated profits or losses statement as expense when they are incurred and the amortization is charged to the programs' operations costs.

The estimated useful life for each type of property, plant and equipment are as follows:

	Intangible Assets Estimated Useful Life
	After Restatement
OTM Program	7 years
Other computer programs	5-10 years

ii) Goodwill

The goodwill is recognized and represented in the value of the increase in acquisition cost and subsidiaries acquisition and the company's share in the fair value of the net assets of the company's acquired at the acquisition date, the goodwill isn't amortized , instead a test is performed to determine the value of impairment of goodwill annually or periodically if the events or changes indicate the existence of impairment for the value of goodwill and it is recognized in the consolidated profits or losses statement, the negative goodwill is recognized in the profits and losses of the year.

39-6 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable essential for preparation of the asset to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment when they are completed and are ready for their intended use.

39-7 Investments

39-7-1 Investments in Associate

Investment in associates are investments in companies at which the company has a significant influence but it is neither a subsidiary company nor a share in a joint venture. the existence of a significant influence is assumed when the investor owns a percentage of 20% or more of the voting rights of the investee directly or indirectly through its subsidiaries, except for the cases in which the ownership does not represent a significant influence or on the other hand, the investor owns directly through its subsidiaries a percentage less than 20% of voting rights of investee, so, it is assumed that the investor does not have a significant influence in it unless the existence of this influence was proved, it is noted that the ownership of majority of shares does not necessarily prevent that another investor would have a significant influence on the investee.

Investment in associates is accounted for in the consolidated financial statement at cost including acquisition cost. In case of impairment in the value of those investments, the book value of each investment individually would be adjusted by this impairment and charges to the profits or losses statement. Impairment loss is reversed only to the extent that the asset's book value that would have been determined if no impairment loss had been recognized.

39-8 Trade receivables, debtors and Note Receivables

1- Recognition and initial measurement

Other current assets are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2- Classification and subsequent measurement

Financial assets the policy applied from January 1 , 2021

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL (if any).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in this case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not previously designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.
- All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment the policy applied from January 1 , 2021.

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed (if any) and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

Standards implemented from January 1st , 2021

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at FVTPL (If any)	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost (if any)	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI (if any)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI (if any)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets -Policy applied before January 1, 2021

The Group classifies financial assets into one of the following classifications:

- Loans and debts
- Investments held to maturity
- Investments available for sale
- At fair value through profit or loss

Financial assets -Subsequent measurement and gains and losses: Policy applied before January 1, 2021

Financial assets classified at FVTPL (If any)	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost (if any)	The amortized cost is measured using the effective interest method.
Financial assets at available for sale	Financial assets are measured at fair value. Changes in fair value other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the accumulated gain or loss recognized in OCI is reclassified to consolidated statement of income.

Financial liabilities -Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3- Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

39-9 Inventory

Inventory are measured at lower of cost or net selling value (the cost of free zone branch inventory is determined according to the initial supplier invoice) and the weighted average is used for requisition pricing.

39-10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, banks' current accounts, time deposits and banks overdrafts -if any- that are repayable on demand and form an integral part of the company's cash management for the purpose of preparing the cash flow.

39-11 Impairment

1) Non-derivative financial assets

Standard implemented from January 1st , 2021.

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as releasing security (if any is held); or
- The financial asset is more than 180 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Standards implemented before January 1st , 2021

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a Company of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets at amortized cost (If any)	The Company assessed evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by Companying together assets with similar risk characteristics. In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
Equity- accounted investees (If any)	Impairment losses in equity-accounted investees are measured by comparing their carrying amount with the recoverable amount, and the impairment losses are recognized in profit or loss and the impairment loss is reversed when preferential changes occur in the estimates used to determine the recoverable amount.
Financial assets FVOCI (If any)	Impairment losses on Financial assets FVOCI are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale in profit or loss are not reversed.

ii. Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.(If any)

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

37-12 Capital share

i) Common stocks

Incremental costs directly attributable to the issue of common stock and share options are recognized as a deduction from shareholders' equity.

ii) Repurchase of capital share

When capital share recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as deduction from total equity, after one year the capital is deducted by the treasury shares according to rules of law.

39-13 Trade and other payables

Trade and other payables balances are recognized at cost and the liabilities (dues) are recognized at the values paid in the future in exchange of commodities and services received.

39-14 Dividends

Dividends are recognized as a liability in the period in which they are declared and approved by company's general assembly.

39-15 Provisions

A provision is recognized when the company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

39-16 Loans and borrowings

The borrowings are initially recognized when received and the amounts due within a year are recognized in the current liabilities. If the company has no right to postpone the loans' payment for a period that exceeds one year after the financial position date, the loan is presented in the current liabilities.

Subsequent to initial recognition, interest-bearing borrowings and credit facilities are stated at amortized cost being recognized in the consolidated profits or losses statement over the period of each borrowing separately on an actual interest basis.

The amortized cost is calculated taking into consideration any discounts or bonuses and fees or costs that are part of actual interest rate. The amortization is recognized on an actual interest basis in finance expenses in the consolidated profits or losses statement.

39-17 Lease contracts

1- (Right Of Use)

The Company recognised new assets and liabilities for its operating lease contracts for various types of contracts including lands. Each lease payment is distributed between the liabilities and the financing cost. The finance cost is charged to statement of income over the leasing period to achieve a fixed periodic interest rate on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis.

Assets and liabilities arising from the lease are initially measured at the present value.

1- Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability;
- Any lease payments made on or before the commencement date, less any lease incentives received;
- Any initial direct costs; and
- Restoration costs

Right-of-use assets are subsequently measured at cost less accumulated depreciation

2- Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including significant fixed payments), less any lease incentive receivables;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments are discounted using the additional borrowing rate, which represents the price that the lessee will pay to borrow the funds necessary to obtain an asset at a similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in statement of income. Short-term leases are leases with a lease term of 12 months or less. It includes low-value assets related to office equipment.

Lease terms are re-negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any undertakings, but the leased assets may not be used as security for the purposes of borrowing when determining the term of the lease, the management takes into account all facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option to terminate. Extension options are only included in the term of the lease if the lease is to some extent assured. When determining the lease term, management generally takes into account certain factors including historical lease periods and business discontinuation costs required to replace the leased asset.

2- Determining whether the arrangement contains a lease contract or not

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

Initially or when evaluating any arrangement that contains a contract lease, the Group separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Group concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled, and the finance cost calculated on the obligation is recognized using the Group's additional borrowing rate.

3- Leased assets

Lease contracts for property, plant and equipment that are transferred in a large degree to the Group, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.

Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Group's statement of financial position.

4- Lease payments

Operating leases' payments are recognized in profit or loss on a straight-line basis over the term of the lease. Received lease incentives are recognized as an integral part of the total lease expense, over the lease term.

The minimum lease payments of finance leases are divided between financing expenses and the reduction of unpaid liabilities. Finance charges are charged for each period during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation.

39-18 Revenue

The company has implemented the Egyptian Accounting Standard No. (48) as of January 1, 2021. Information has been provided about the company's accounting policies relating to contracts with clients and the impact of applying the standard is explained (Notes No. (6-2)).

Information about the Company's accounting policies relating to contracts with customers is provided in five steps module as identified in EAS No. (48):

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The Company satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met:

a) Company performance does not arise any asset that has an alternative use of the Company and the Company has an enforceable right to pay for completed performance until the date.

b) The Company arise or improves a customer-controlled asset when the asset is arise or improved.

c) The customer receives and consumes the benefits of Company performance at the same time as soon as the Company has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Company satisfies performance obligation.

When the Company satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Company, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. (48) requires management to use the following judgements: -

Satisfaction of performance obligation

The Company should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Company estimated that, and based on the agreement with customers, the Company does not arise asset has alternative use to the Company and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the Company recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The Company has to determine the price of the transaction in its agreement with customers, using this judgement, the Company estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

If the Company determines the performance obligations satisfaction at a point in time, revenue is recognized when control of related contract assets are transferred to the customer

Allocation of the transaction price of performance obligation in contracts with customers

The Company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Company considers the use of the input method, which requires recognition of revenue based on the Company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Company estimates efforts or inputs to satisfy a performance obligation. In addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other matters to be considered

Variable consideration if the consideration pledged in a contract includes a variable amount, then the Company shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Company estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. This method is applied consistently throughout the contract and for identical types of contracts.

The significant funding component

The Company shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

i) Services rendered

Revenue from services is recognized in the profit or loss statement when the service is rendered. No revenue is recognized if there are uncertainties regarding the recovery of the consideration due or the associated costs.

ii) Interest income

Interest income is recognized in the profit or loss statement according to the accrual basis

iii) Investment revenue

The investment income is recognized in the subsidies in the profit and loss statement in that date of the right of the company in receiving the company's dividends, realized after the acquisition date.

39-19 Expenses

i) Cost of Borrowing

The borrowing cost represented in interest expense and bank charges are recognized in the consolidated profits or losses statement for using prevailing interest rate (available) based on the accrual basis.

Borrowing costs which are directly related to acquisition, construction or production of fixed asset are capitalized as part of the assets carrying value and depreciated over its estimated useful life, the cost of borrowing is capitalized as a part of the fixed asset cost when the actual expenditure of the asset starts and during the period the company incurs such costs, the borrowing costs capitalization ceases during the year where the preparation of the asset temporarily stops or when the asset is ready for its intended use.

ii) Social insurance contribution

TThe Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law no 79 for the year 1975. Under this law, the employees and the employer contribute into the system on a fixed percentage - of - salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to the consolidated profits or losses statement according to the accrual basis.

iii) Income tax

Income tax expense comprises current and deferred tax. It is recognized in the consolidated profits or losses statement except to the extent that it relates to a business combination, or items recognised – in the same period or a different one - directly in equity or in Other Comprehensive Income "OCI".

Current income tax

The current income tax is recognized for the current and prior year, as it is not paid as a liability, if the tax was already paid in the current and prior years is more than the due value from these years, this increase will be recognized as an assets. The value of the liabilities (assets) current tax for the current and previous years is measured by the expected payment (retrieved from) to tax authority, by applying the applicable tax prices (and tax laws) or in the process to be issued at the end of the financial year. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred income tax

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Initial recognition of good will
- Initial recognition of assets or liabilities:

1. Not business combination
2. It has no influence on accounting not profit or on taxable profit (taxable loss)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Company.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

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

39-20 Earnings per share

The Company presents basic earnings per share (EPS) data for its common shares. Basic EPS is calculated by dividing the profits or losses attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

40. Important events

40-1 Covid- 19

Most countries of the world, including Egypt, were exposed during year 2020 to the outbreak of the novel Coronavirus disease (COVID-19), which caused disturbances in most commercial and economic activities in general and on certain activities in particular, so it is possible to have a significant impact on the company's assets and liabilities and its recoverable amounts and also the results of operations in the future financial statements in addition The potential impact and the demand on the available company's services and liquidity, as the company managed the impact on the current financial statement, confirming on that the value of assets and liabilities that were established in the financial statements according to the optimal estimation for most recent available information. As according to the current unstable circumstances and uncertainty as a result of the current events, the magnitude of this impact depends mainly on the expected horizon and the timeline of finalizing this event and its implications, which is difficult to determine meanwhile.

40-2 Free zone – port said

The general authority for investments and free zone have issued a decree No.8-1/2021 dated January 27, 2021, which included the approval on granting the projects concern with the storage of used cars at the free zone which will continue engaging in this operation for two years starting from January 1st, 2021 in order to settle their situation to transfer their work to economic zone at Suez Canal.

The company performs the administrative and executive procedures currently regarding transfer the work to economic zone at Suez Canal.

The company's board of directors held at October 31, 2021 have decided to approve on the purchases of a new land to establish a new company to store the cars at Ain El Sokhana and to match the investment plan of the company, the board have approved on establishing a new subsidiary company in the economic zone at Suez canal to practice the storage and logistics activities, and the export of used cars and to prepare it to disabled use in addition to manufacture the complementary devices.

Investor Information

In this section

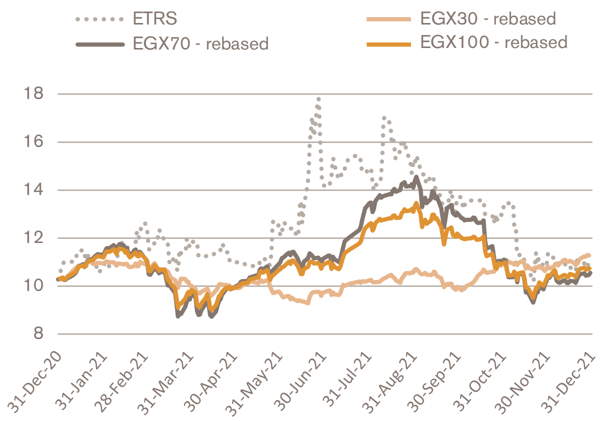
Share Performance

The share closed at EGP 10.87 (YTD +4.52%) on 30/12/2021, analyzed as follows:

Price low: EGP 9.71 during March
Price high: EGP 19.45 during June

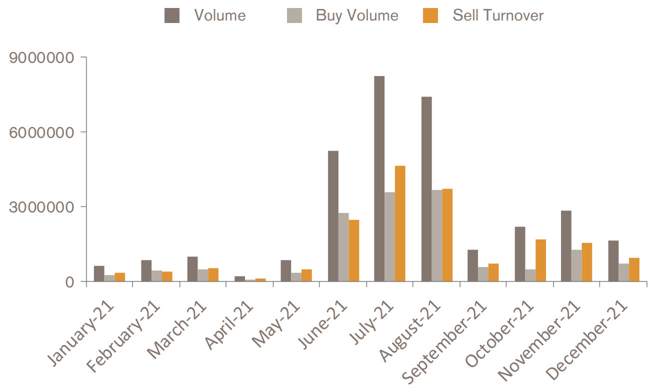
While the Egyptian Stock Exchange indices closed at the following levels on 30/12/2021:

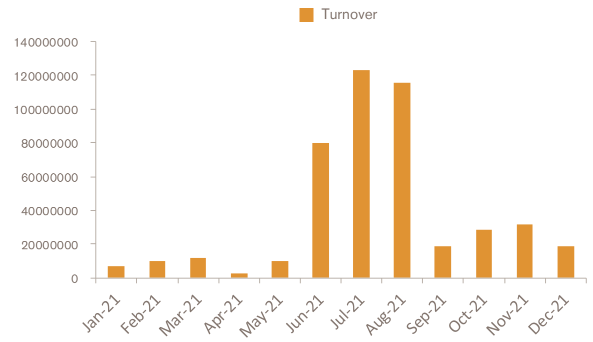
EGX 30 at 11,949.2 points (TYD +10.2%)
EGX 70 at 2,201.8 points (TYD +2.6%)
EGX 100 at 3,255.2 points (TYD +5.1%)



Volume traded Volume traded during the year was 32,476,497 shares.

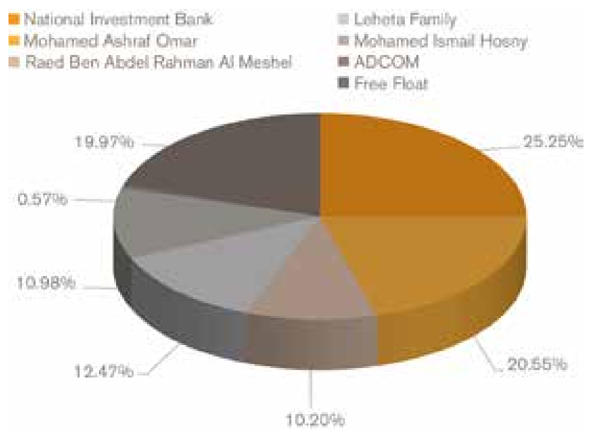
Turnover Turnover during the year reached EGP 456,889,090.





Shareholder Structure

Investors	Percentage
National Investment Bank	25.25%
Mohamed Ashraf Omar	20.55%
Raed Ben Abdel Rahman Al Meshel	10.20%
Leheta Family	12.47%
Mohamed Ismail Hosny	10.98%
ADCOM	0.57%
Free Float	19.97%



Egytrans subsidiaries and affiliates

Egytrans Depot Solutions (EDS)

Established in 2010, EDS is the newest subsidiary of Egytrans, specializing in storage, cleaning and repair of liquid bulk cargo containers, especially ISO Tank Containers and tank vehicles. Today it is the only facility in Egypt providing ISO Tank cleaning and repair in accordance with European standards, with state-of-the-art equipment and experienced staff trained in all aspects of ISO Tank processes.

Chairman: Abir Wael Leheta
General Manager: Abdel Rahman Gameel
Head Office: 11 Kamel Morsi St., El Shatby, Alexandria.
Company branch: Kilo 25 Alexandria / Cairo Desert Road - Alexandria.
Phone: (+20 3) 4702258
Fax: (+20 3) 4701988

Egyptian Transportation and Logistics (ETAL)

Established in 1982 and acquired by EGYTRANS in 1998, ETAL is a market leader in the transport of exceptional cargoes and heavy lifts. This market is highly complex due to the dimensions, weights and stringent scheduling involved, requiring a high level of knowledge, expertise, professionalism, flexibility, reliability, organization and communication.

The transport of exceptional cargo is a specialized market in which the restrictions of dimensions and weights and the local legislation and regulations – different in each country – play a decisive role. This is a profession for which no training courses are available, and in which the necessary knowledge can be acquired solely by experience. This knowledge and experience and ETAL's versatile and extensive fleet of specialized equipment are the key tools that have cemented ETAL's leadership in the market over many years.

Chairman: Abir Wael Leheta
Address: 11 Dr. Kamel Morsi Street, El-Shatby, Alexandria, 21519, Egypt.
Phone: (+20 3) 5914696 (14 lines)
Fax: (+20 3) 5900193 – 5920269

Barwil Egytrans Shipping Agencies

Barwil Egytrans Shipping Agencies is an Egyptian registered company and has been a fully licensed shipping agent since 1996. Barwil Egytrans is a joint stock company within Wilhelmsen Ship Services (WSS) Group, in conjunction with Egytrans, which holds a 30% stake in the company.

Wilhelmsen Ships Service is one of the leading shipping agents in the world handling in excess of 50,000 port calls globally from 2200 ports in 116 countries. Wilhelmsen Ships Service (previously Barwil Unitor Ships Service) is headquartered in Oslo and operates a network of country-based companies.

Barwil Egytrans management is all located within Egypt and is responsible for all activities in Egypt with approximately 200 staff in total, located in the Alexandria Head office, Port Said, Suez, Damietta and Cairo.

The company currently handles about 2000 vessel appointments in Egypt per annum. With a very experienced local operations team, the company has achieved an established track record of quality performance in Suez Canal transit agency, Port Call agency and Marine Service Provision for a large variety of vessel types.

Address: 9 Hussain Hassab and Bani El Abbasi Street, Daher Tower (2), off Sultan Hussain St., Alexandria 21111 Egypt
Phone: (+ 20 3) 4843510/4835065
Fax: (+ 20 3)4829555/ 4835379

Scan Arabia Shipping Agencies SAE

Established in 1998, Scan Arabia provides liner shipping agency services. It is also a joint venture with the Wilhelmsen Group with Egytrans owning a 30% equity stake.

Address: 9 Hussein Hassab Street and Bani Al-Abbasi Street, Daher Tower (2), off Sultan Hussein Street, Alexandria 21111 Egypt
Phone: (+20 3) 4843096
Fax: (+20 3) 4829555

Quality performance

Egytrans quality assurance department performs its functions in accordance with international standards of all acquired certificates, including:

ISO 9001:2015 Certificate (Quality)

- Egytrans attained the ISO 9001:2000 specification in 2001. It was later upgraded to 9001:2008 then upgraded to the latest version:2015.
- The design and implementation of the company's system is based on the requirements and objectives of the various services the company provides.
- The internal Quality Assurance Department and the external certification body both apply ISO specifications to assess the company›s ability to meet customer needs as well as regulatory and corporate requirements.

ISO 14001:2015 Certificate (Environment)

- Egytrans attained the ISO 14001:2004 specification in March 2004. It was later upgraded to 14001:2004 then upgraded to the latest standard ISO14001:2015.
- This specification preserves the internal and external environment (working environment), and the environmental impact resulting from its activities and services.
- The internal Quality Assurance Department and the external certification body both apply ISO specifications to assess the company›s ability to meet customer needs as well as regulatory and corporate requirements.

ISO 45001:2018 Certificate (Occupational Health & Safety)

1. EGYTRANS attained ISO 45001:2018.

This certificate relates to occupational health and safety, and applies to:

- Safety of individuals
- Safety of equipment
- Safety of sites and facilities

2. This specification applies to all activities of the company that have direct and tangible impact on occupational health and safety. It also applies to all company sites, visitors, contractors, subcontractors, customers and employees.
3. This system applies to the working environment safety against physical, mechanical, chemical, natural, health and training risks.
4. Protection from all these risks has a positive impact on execution of work, whether for the client or for the company. The protective measures against these risks shall save time, effort and production costs for both the company and employees.
5. The certificate had been renewed until 11/03/2021.

ISO 10002:2004 Certificate (Customer complaints and satisfaction)

The purpose of applying this specification is to:

- Improve the degree of customer satisfaction.
- Share and ensure senior management commitment.
- Record customer needs and expectations.
- Establish and apply a clear and easy-to-use method, characterized by efficiency and transparency in processing customer complaints.
- Conduct continuous analysis and assessment of customer complaints for the purpose of improving the quality of service.
- Conduct continuous internal auditing for customer complaint processing.
- Review the efficiency and effectiveness of customer complaint processing by the Company's Management.

Glossary of terms

Terms used in the Annual Report	Brief description
Risk Management	The procedures followed by corporations on a regular basis to confront risks associated to their activities. The main aim of applying these procedures is to achieve opportunities and avoid threats. Risk Management is one of the modules of Corporate Governance practices such as disclosure, transparency, responsibility and reliability. Therefore, it is a basic component of strategic management in any corporation as well as being part of its culture and activities.
Corporate Governance	Rules, regulations and procedures that assist in increasing the efficiency of business management and control as well as creating balanced relation between various related parties.
Risks	Set of complicated potential events or results, achieving these risks might produce threats to success (negative side) or opportunities (positive side) except the health and safety risks which has only negative side.
Balanced Scorecard	a system for performance measurement and strategic management incorporating measures in four perspectives (financial, customer, internal process and employee learning & growth).
ERP	Enterprise Resource Planning, a management information system designed to integrate the data and processes of an enterprise in a single unified system.
EBITDA	Earnings before interest, taxes, depreciation & amortization = gross profit - general expenses.
Turnover	total revenues of activities.
Net Profit	Gross profit – (general expenses + financial expenses + selling and distribution expenses + depreciation).
Gross Profit	Revenue of activities – cost of activities.
Earnings per share	Net profit/number of shares.
Chartering	the process of renting vessels whether for a certain trip or for a certain period of time.
Consolidation	consolidated cargos for various clients inside one common container through a shipping agent.
FCL	Full Container Load, i.e. a full container shipment.
FIATA	Federation of International Freight Forwarding Associations.
Freight forwarder	a third party provider of logistics services. The role of a forwarder is to dispatch, book or otherwise arrange space for shipments via carriers who operate vessels, airplanes, trucks or railroads. Freight forwarders typically arrange cargo movement to an international destination, prepare and process the required documents and perform other services related to international shipments.
Freight Ton	the weight of cargo in tons or its volume in meters (whichever is larger).
LCL	a shipment that is less than a full container.
NVOCC	Non Vessel Operating Common Carrier i.e. renting areas or a space on vessels owned by a shipping line and selling these areas or spaces on behalf of the shipping line.
TEU	Twenty Foot Equivalent Unit equivalent to 20 foot container (40 foot container = 2 TEUs).

About Egytrans

The Egyptian Transport and Commercial Services Company S.A.E. was established in December 1973 under Egypt's open-door policy for private enterprises. However, its transport activities and experience date back to 1939 as a continuation to Gamal El Din Leheta & Co. Egytrans was nationalized in 1964 when it was one of the biggest companies in Egypt offering shipping agency, tourism agency and other transport services. It is now a corporation with capital of LE 56,064 million Since then it has grown into a leader in the transport field in Egypt with three hundred and fifty employees and eight branches in strategic locations.

Egytrans provides various services in the field of integrated transport including the following:

- Sea Freight (Import/Export/Consolidation/Chartering/NVOCC/Stevedoring)
- Air Freight (Import/Export/Consolidation)
- Customs Clearance
- Warehousing
- Land Transport
- Specialized Transport
- Project Logistics
- Fairs & Exhibitions
- Distribution
- Packing
- Insurance

The company provides additional services through affiliated companies such as Barwil EGYTRANS which was established in 1996 in association with WILHEMSEN in Oslo, Norway., one of the world›s largest international shipping agency networks, and Scan Arabia originally established as a shipping agency specializing in serving liner principals with unique requirements.

Egytrans Affiliations

Egytrans is an active member of FIATA (International Federation of Freight Forwarder›s Associations) and BIMCO (Baltic and International Maritime Council), EIFFA (Egyptian International Freight Forwarders Association) and an official agent of IATA (International Air Transport Association). It is also a member of the Through Transport Club, the leading provider of insurance and risk management services to the international transport and logistics industry.

Assumptions related to 2021-2025 outlook

In outlining the expectations for the five-year period 2021-2025, the Group has made certain assumptions about the Logistics and Transport sector, the market in which the Group operates and the delivery of revenues and financial benefits from its current portfolio, pipeline and restructuring programs.

The assumptions for the Group's revenue and earnings expectations assume no material mergers, acquisitions, disposals, litigation costs or share repurchases for the Company; and no change in the Group's shareholdings. They also assume no material changes in the macro-economic and transport and logistics environment.

The Group's expectations assume successful delivery of the Group's restructuring plans over the period 2021-2025. Material costs for investment in new product /service launches have been factored into the expectations given. The expectations are given on a constant currency basis and assume no material change to the Group's effective tax rate.

Cautionary statement regarding forward-looking statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Egytrans. Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Egytrans may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Egytrans is subject to risks and uncertainties. Various factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this document including worldwide economic trends, the economic and political climate of Egypt, the Middle East and changes in business strategy and various other factors.

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