EGYtrans

# BLUEPRINT FOR A NEW EGYTRANS

ANNUAL REPORT 2022

# Our business model

## Content



### Cautionary statement

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

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 also  a positive contribution to the communities in which we operate. We employ over 300 people across the country. In 2022 we paid 8.4 million 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.

## 2022 in #'s

**EGP 400.1 m**
Group Revenues

**EGP 311.9 m**
Costs

**EGP 88.1 m**
Group Gross Profit

**22.0%**
Group Gross Profit Margin

**EGP 24.3 m**
Operating profit

**EGP 46.1 m**
Group Net Profit

**11.5%**
Group Net Profit Margin

**0.29 EGP**
Earnings Per Share

# Chairman summary

## I am delighted to introduce my first Egytrans Annual Report as Chairman. Egytrans has proven to be an exceptional company with a singular drive to do better for clients, employees and shareholders, and I am excited to be part of a team that aims to make a difference.

While Egytrans has a proud history, it was the exciting future ahead that made joining Egytrans irresistible. Not only do we have the opportunity to establish a new version of the leading Logistics and Transport business by incorporating new technologies and services but also create a logistics business, driven by the principles of good citizenship. The Board and an outstanding management team led by Abir are determined to achieve this.

Egytrans has been delivering a program of fundamental strategic transformation since the company launched the new strategic imperatives of Grow Deliver and Simplify in 2018, designed to tackle the root causes of the company's long-term performance volatility and improve shareholder returns. The Board is pleased that 2022 saw further progress against the clear priorities set to enable this: improving the portfolio of services and productivity, sharpening commercial execution and cost discipline and tackling the Group's structure and capital allocation priorities, underpinned by a shift in culture. Building on the significant progress made over this period, I believe Egytrans is now firmly on track to capture opportunities presented and grow the business.

### 2022 delivery

While the continued repercussions of the pandemic and the subsequent turbulence, as a result of the war, continued to mean a highly dynamic operating environment, the Board was pleased as the company exceeded its targets set at the start of the year with growth in sales and earnings and good cash generation.

In addition, the CEO and her team are successfully focused on strengthening the portfolio of services and delivering strong commercial execution and over-delivery in core business activities, showing Egytrans' ability to compete and grow market share. Initiatives embarked upon in early 2020 have delivered and, as a result, Egytrans' cost base is more competitive.

### Capital allocation

The Board supports management's clear framework for capital allocation which prioritizes investment in the pipeline, new product launches, and delivering returns to shareholders. Disciplined support of business development opportunities is also part of the framework. Of course, the Board are also mindful of returns to shareholders which are expected to reflect the reward of investment.

2022 saw good progress on the Group's priority to strengthen its pipeline, particularly in Land Transport and the Board was particularly pleased to see positive market traction come from the assets acquired. While distinctive advances have been made, the Board (and management) recognise that sustaining this over the long term will depend on consistent performance, delivery and further strengthened competitiveness.

### Targets for sustained performance

As well as performance in-year, the Board maintains a clear focus and oversight of the company's strategy and plans to merge with NOSCO proposed, subject to shareholder approval, to happen in the first half of 2023. The Board is mindful that the market for logistics and transport is changing in the face of geopolitical forces driving high prices, high costs and pressure on margins – and to remain competitive within this environment it is important to consolidate capabilities . The new development, has temporarily postponed the intention to separate the business into five business units to create a New Egytrans. More details on this are discussed in the CEO's statement on pages (6:9).

The purpose and strategy of the new Egytrans, has strong support from the board. If achieved, these would represent top quartile performance in our sector. Similar stretch ambitions are set for the core business of Egytrans. Of course, management must now deliver against the targets set. And we are clear remuneration must be tied to enhancing shareholder value. As such, we are mindful to structure a performance system that links remuneration to performance. In addition to what the new Egytrans does, the Board is fully focused on how the company operates, through a clear agenda for ESG leadership. Egytrans has a strong tradition to build on in these areas and ensuring further progress on these matters will be a priority.

### Environment, social and governance (ESG)

With the increased emphasis on the value of ESG factors to overall performance, I have been pleased to find Egytrans' purpose, strategy and priorities well placed to deliver long-term value for society and shareholders. That we will need to do more and give greater prominence to what we are doing, is clear, but we start from a good place. Egytrans has a strong foundation in governance and a clear commitment to taking action on environmental issues and this continues to play an important role. Promising actions in joining business community action such as the UN Global Compact, Green Transformation Partners, and Chapter Zero which are discussed in more detail in our corporate governance section on pages (52:68), is good demonstration of this.

Tackling climate change, is a critical issue for the industry and society and will require action from everyone and Egytrans is committed to playing its part. At the current phase Egytrans is working with industry and internally towards assessing the opportunities and risks that the transition to a low carbon economy presents.

Finally, I would like to thank all employees, partners, shareholders and customers for their support and commitment through the last year and I look forward to what promises to be an exciting 2023 for Egytrans.

Gamal Moharam

Gamal Moharam
Chairman

# CEO summary

**We ended 2022 strongly despite continued turbulence in the market, and we enter 2023 with good momentum. This is going to be a landmark year for the company as we continue to establish footholds for the New Egytrans... AND more.**

## Dear shareholder

I am very pleased to report that in 2022, Egytrans delivered strong operational performance and pipeline progress. At the same time, we are progressing in our multi-year program of far-reaching transformation to tackle long-standing issues impacting the company's success. We are now ready to deliver the most significant corporate change for Egytrans in years: creating a new structure of five subsidiaries with ambitious targets for growth and with a clear purpose to positively impact the operational capability of Egytrans.

Before I begin my report, I take this opportunity to welcome Gamal Moharam, who joined Egytrans as its new Chairman in March. Gamal is an incredibly well-respected leader who has decades of experience navigating companies through times of unprecedented change, uniquely positioning him to chair the Egytrans Board during this period of transformation. Gamal's vision, incredible depth of experience and wise counsel have been invaluable to Egytrans, and I look forward to continuing working with him along with our other board members, as we chart the future course for this amazing company.

### 2022 performance provides momentum

With supply chain costs continuing on its upward trajectory over the year 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 2022 reaching EGP 400 million, representing a remarkable growth of 36.3% Y-o-Y. More significantly , net profits after taxes for the year increased by almost 152.4%, reaching E GP 46.1 million up from EGP 18.2 million, registering a net profit margin of 11.5% vis-a-vis a margin of 6.2% in 2021. This incline in Net Profits was marginally improved by our continued emphasis on cost and expansion opportunities, in addition to improved performance in 2022 in core business areas such as Logistics & Land Transportation.

Group net operating profit margin showed a slight decline from 7.7% recorded in 2021 reaching 6.1% in 2022. SG&A/revenues ratio dropped from 17.4% to 15.9% although we witnessed an increase in cost/revenues ratio from 74% in 2021 to 78% in 2022. The increase in cost/revenues ratio is the result of our increased marketing spend as we continued to establish a stronger customer facing function, as we continue to focus on the implementation of our strategy to improve customer acquisition.

Egytrans' share outperformed market in the first 4 months of 2020, trading at EGP 7.13 in the beginning of 2020, reaching a high of EGP 11.64 by 27-Sep-20 and a low of EGP 4.75 on 19-Mar-20 as a result of the general volatility of the EGX due to the pandemic.

The improvements we have made to our commercial execution and cost base, together with strengthening portfolio and pipeline, mean we now have momentum to deliver a step change in growth starting in 2023.

## PREPARING FOR THE FUTURE

### Creating a New Egytrans

In 2021, consistent with our strategic priorities and previous announcements, we started a two-year program to prepare Egytrans for separation into five leading subsidiaries: The restructuring uses the unique catalyst of separation to reset the capabilities and cost base for the current subsidiaries, and help support delivery of the significant value creation opportunities we see. The creation of New Egytrans reflects successful delivery of a series of progressive strategic moves we took over the last few years. The New Egytrans will enable us to be even more effective in how we allocate our budget, share technical expertise and deliver our service. Under the program, we will also seek to improve our capabilities and create efficiencies in our group support functions; continue to simplify and focus our operational capability, and rationalize our spending.

While the pandemic had slowed down progression on the effective launch of the new structure , this is foreseen to commence with the finalization on the potential merger with NOSCO which is proposed, subject to shareholder approval, to happen in the first half of 2023, and which will have impact on the new structure. On its own, the potential merger is foreseen to bring added value to our project logistics business - through a larger service offering, additional transport trucks and a modern fleet of heavy haul and specialized trailers, and most significantly a foothold into industries in which we do not currently have category leadership.

Once in place, the new structure will offer a highly successful growth-oriented business, capable of delivering sustainable performance and returns.

# THE POWER OF

## An Integrated Service Offering - The Power of And

We are particularly pleased with the launch of our Integrated Service solution under the POWER OF &. AND represents the culmination of years of working towards a strategic objective of expanding our capacity to deliver a complete, unified suite of capabilities from envisioning to implementing client solutions under the strategic imperative of Grow , Deliver and Simplify. Our strategy was in response to internal pressures for process improvement as well as external forces such as digital disruption, rising customer expectations, imbalances in the supply chain world impacting our business requiring a more centralized approach towards achieving additional benefits, agility and added value.

The launch of integrated solutions will allow Egytrans to compete more effectively in our field. An integrated business services model is key to deliver high value services on an organization-wide basis in a consistent and cost-competitive manner. A critical enabler was the development of new organizational structures, processes, capabilities and mindsets to successfully transition from specialized project management silo operations to project and business solution-focused organization to generate value for Egytrans and the customer.

This has been the focus of our strategy over the past years, with actions taken over the years we have worked on introducing new products such as our Gantry Train providing us with unique competitive advantage in lifting or new services such as expanded warehousing capability or new service offerings such as better end to end visibility for our clients or new routes and expanded Customer clearance. The list is long

## Continued investment in customer solutions

Customers lie in the forefront of our strategy. As such Egytrans is committed to continue to invest in people, resources and infrastructure, to deliver the solutions our customers expect In order to be successful, we are increasing investment in new services to deliver future growth. Since announcing our new approach to the business in 2018, we have made significant progress to strengthen our pipeline, particularly in our core services. We now have increased our Land Transport Capability and expanded our warehouse capability. Moreover, we are investing in expanding our car storage capability by adding new warehouse space in a new location. During 2022 we also completed agreements to build out our platform technologies, allowing us improved visibility and performance. The positive performance we are generating and the progress we have made to strengthen our service offering underpins our decision to further increase investment in our portfolio and operational capability over the next two years.

## A culture for performance and support to succeed

I strongly believe Egytrans should be a company where people can thrive. Creating the right culture to do this and to deliver our new purpose and performance aspirations is a priority for me and for my team. We are focused on Egytrans being a place where people are ambitious for customer success, accountable for impact and do the right thing. We also have an enormous responsibility to inspire and support our people to succeed. We continue to look for ways to invest in our people's growth and development and to help them balance their work and personal lives. This includes a strong focus on management skills, training and support for wellbeing, as well as the health and safety of all who work at Egytrans.

Last year, we put in place additional new programs to support these priorities and we are committed to developing more. The same is true for our approach to diversity. Not only have we made good progress against our 2025 aspirational targets for female representation in senior roles but we continue to lead in an industry where female representation in senior roles does not exceed 10%. You can read more about this in the Trust section of our report on page 32.

## Building Trust

The importance of businesses acting responsibly is central to how an increasingly broad range of stakeholders 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.

## 2023 will be a landmark year

The pandemic and following geopolitical occurrences have shone a spotlight like never before on the difference our industry can make to society. Our people have continued to show remarkable dedication, agility and resilience through the year. Their efforts have meant that despite the challenges, we enter 2023 with our pipeline stronger, our commercial execution sharper and our confidence higher in our ability to deliver sustainable long-term growth.

It reflects the very deep commitment that people working at Egytrans have for the people we serve and for each other. Our people are the reason why the New Egytrans will be successful in years to come. I want to thank them for all they have achieved in 2022 and the momentum they are delivering. I am excited and optimistic for the future. 2023 will be a landmark year for Egytrans and we are committed to those who rely on us and excited by what we can achieve together.

Abir W. Leheta

Abir Leheta
CEO

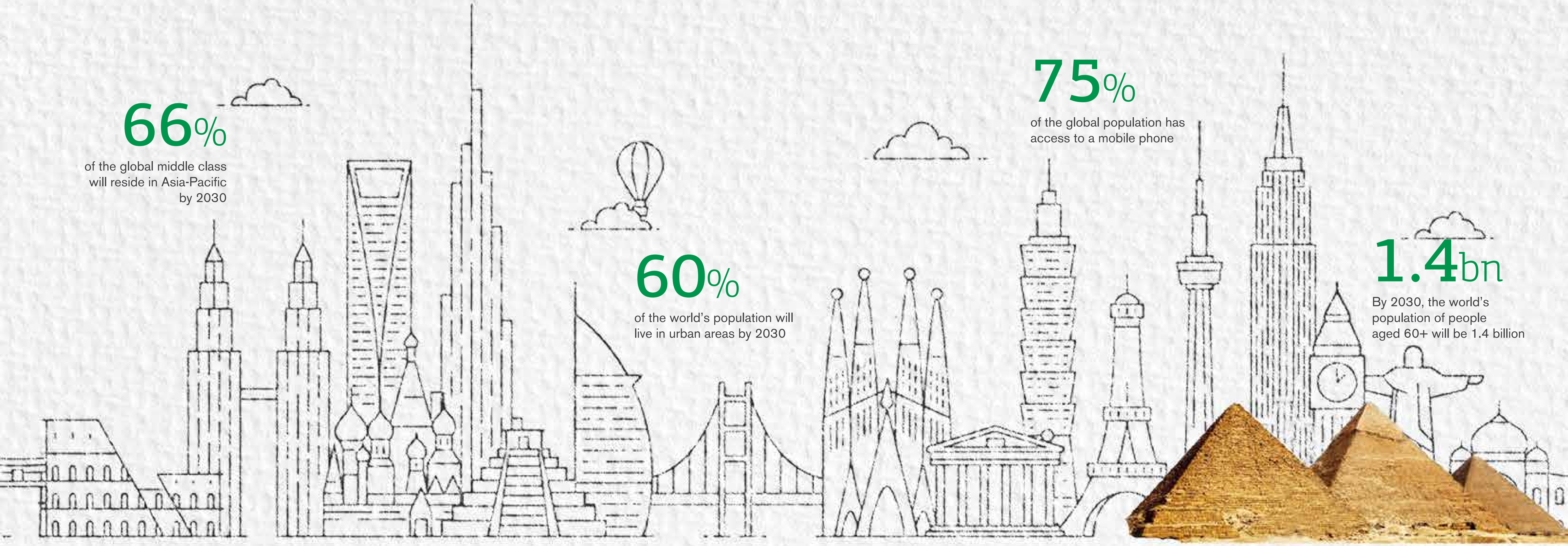
**66%**
of the global middle class will reside in Asia-Pacific by 2030

**90%**
of global youth resides in developing countries

**60%**
of the world's population will live in urban areas by 2030

**75%**
of the global population has access to a mobile phone

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



# THE MARKET IN WHICH WE OPERATE

**Footnotes**

World Population Ageing 2019 Highlights. United Nations.

World Population Ageing 2019 Highlights. United Nations.

Future State 2030: The global megatrends shaping government. KPMG.

# THE MARKET IN WHICH WE OPERATE

2022 was a year of Macroeconomic forces including inflation, geopolitical tension punctuated by of the Russia-Ukraine war and spikes in commodity prices, heightening supply chain disruptions, along with recurring issues of capacity shortages.

Closer to home, the African continent shows potential as AfCFTA generates demand for logistics and transport and Egypt is uniquely situated to capture opportunities.

The world is changing, shaped by major social and economic trends that continue to be influenced by geopolitical forces. While the significance and contribution of logistics and transport has been clearly highlighted in the public domain, challenges remain. However, the key drivers that shape our market continue to be in place. We respond to this dynamic environment by working with government and industry partners to deliver safe, on-time and cost-effective transport solutions to all

**The global logistics market size reached a value of almost USD 9.96 trillion in the year 2022 and is expected to grow at a CAGR of 6.3% between 2023 and 2028 to reach a value of almost USD 14.37 trillion by 2028.**

With the continuously changing global supply chain, the market is expected to garner significant traction over the next few years. This growth is driven by the increased popularity of online shopping and, thus, the rapid growth of the e-commerce industry. Aided by the increased adoption of automated material handling equipment and growing demand for green logistics solutions, the industry is expected to witness a further growth in the forecast period.

On the supply side 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 2021 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 2021 and far below the global growth of 19%, an indication that recovery is slower in those markets. 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.

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

## DRIVERS FOR GROWTH

### 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 recent years have exposed the vulnerabilities of complex global supply chains built on lean manufacturing principles - a fact further brought to the fore by war and the consequent economic repercussions. 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, due to its zero tolerance policy, and its dominance in key areas of manufacturing have further highlighted the problem with modern supply chains. One likely consequence continues to be 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. Nevertheless with current inflation, it is expected that this area, and by default 3PL, will contract along with global trade. 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 2021 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.

### 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.

# THE AFRICAN MARKET

**70%**
Working age by 2035

**$2.6tn**
GDP

**51%**
Digital connectivity

**1.7bn**
Middle Class Consumers by 2030

**45%**
urban population by 2025

**$6.7tn**
consumer expenditure by 2030

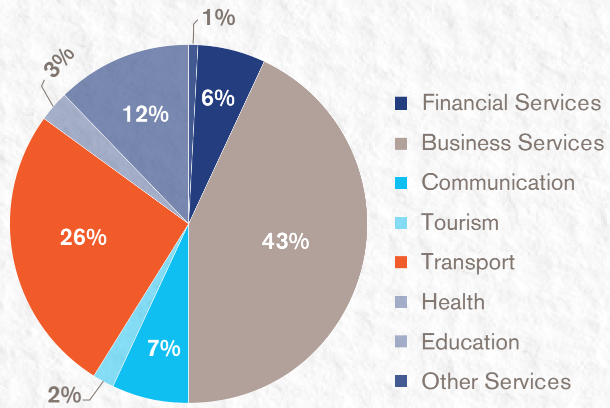
**1.3bn**
population with 87% growth will reach 2.5bn by 2050

# THE AFRICAN MARKET

The African Continental Free Trade Area (AfCFTA) is expected to increase intra-African trade in transport services by nearly 50 percent with over 25 percent of intra-African trade gains in services going to transport alone along with nearly 40 percent of the increase in Africa's services production. This would translate into an increase in intra-African freight demand by %28 with maritime seeing the highest increase.

As Government strategy aims to integrate Egypt more fully into global value chains, a long-standing priority given Egypt's advantageous geographic position, making the  country a production and distribution hub to serve Europe and the Middle East & Africa. Egypt is evolving as one of the major trading countries, which creates a wide range of opportunities for logistics service providers. This vision is bolstered by the potential benefits of the AfCFTA as it is rolled out.

## Transport sector to strongly benefit from the AfCFTA




## EGYPT A STRONG CONTENDER TO BECOME THE REGION'S LOGISTICS HUB

The implementation of the African Continent Free Trade Area (AfCFTA) has allowed the African nations to officially commence trade under a new free trade area across the continent. The AfCFTA has created the largest free market in the world by connecting 1.3 billion people from 55 nations with a total GDP of $3.4 trillion. So far the trade volume within Africa has been meagre with initiatives slowed down by the pandemic. 2022 saw a revitalization of efforts towards the new agreement which is set to boost trade among the participating nations by over 50%. With the elimination of import duties by 90% and the possible reduction of tariff barriers, over 5 years. This represents a tremendous opportunity to local incumbents in the logistics and transport sector, with established networks in the region.

## DRIVERS FOR GROWTH

### More intra-African trade

According to the World Bank, this agreement will foster intra-African exports by more than 81%. Additionally, the exports with countries outside Africa will increase by 19% within the next 15 years. The manufacturing export is expected to benefit the most with a 110% augmentation of trade within Africa and 46% increase of trade with non-African countries. The growth of the manufacturing sector will provide African countries with the option of supply chain diversification. In other words, the growth of intra-African trade and supply chain connectivity will undoubtedly benefit the freight forwarding companies in Africa.

### Removal of trade barrier and import costs …

The elimination of trade barriers while moving freight within the continent will significantly improve logistics and transport services  by reducing cost of shipping – which is currently double most developed nations . This in turn will have a positive impact on the pricing of commodities. Lower commodity prices will lead to greater consumption which in turn will benefit manufacturers and shippers alike. Besides, removal of trade barriers will significantly reduce the transport time of cargoes. It will create new market opportunities for African manufacturers that will increase the project opportunities for logistics companies in Africa.

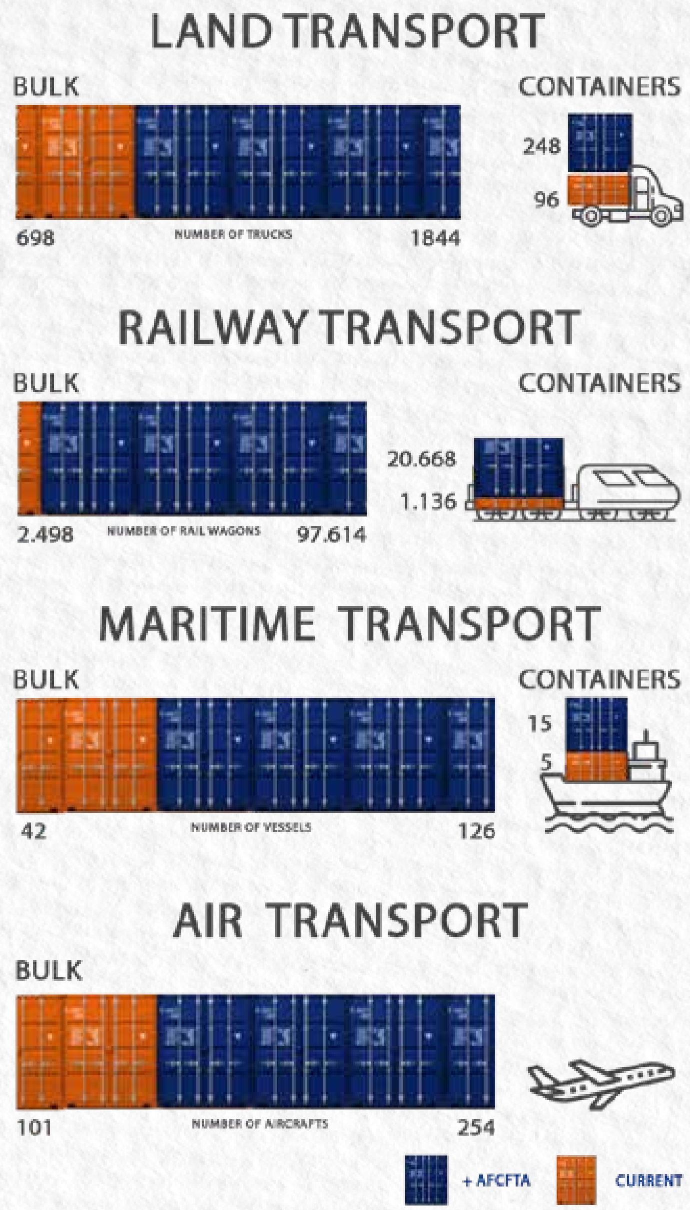
### Drives increasing investment in Manufacturing

The removal of tariff barriers and non-tariff trade barriers across the AfCFTA member states facilitates sourcing within Africa to form a regional manufacturing cluster, which will in return attract more foreign investment to establish manufacturing activity in this region.

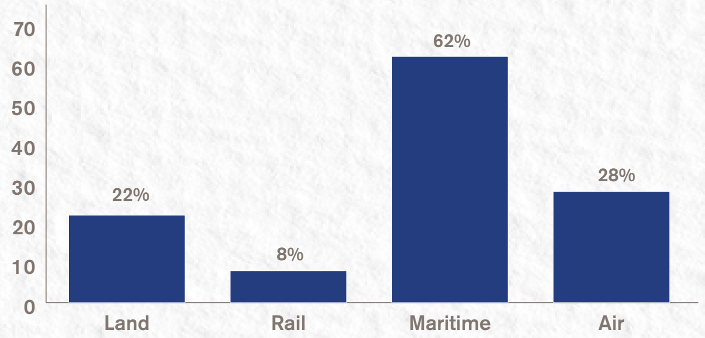
There is already an emerging tendency for foreign investment in labor-intensive manufacturing sectors in Africa such as the textile industry in Ethiopia.  Moreover, recent supply chain disturbances are driving the trend for nearshoring. AfCFTA may generate growing interest from Europe for North African countries as nearshoring options. It also allows this sub-region to grow as a manufacturing hub to meet the burgeoning African market.  The growing labor force in this region will be another reason to see this trend increase. By 2035, 70% of the population in Africa is estimated to be of working-age.

### Economic Growth Drives Growing Middle Class Consumer

If rightly implemented, the AfCFTA could result in a total business and consumer expenditure of $6.7 trillion by 2030. Moreover, it will help to reshape and reinforce the economies and markets in several countries. This will result in the growth of new industries and the expansion of key sectors like manufacturing. The anticipated income




### AfCFTA would increase intra-Africa freight demand by 28%; demand for maritime freight will increase the most



growth under the AfCFTA also means an expanding regional consumer market. The middle-class population in Africa is estimated to reach 1.7 billion by 2030 from 1.2 billion in 2018.

### And drives the growth of e-commerce

The AfCFTA is expected to boost the income of all member countries. Increased income implies a boost in the consumer market. The middle-class population in several African countries is already spending money on consumer goods. Therefore, e-commerce is on the rise in Africa. The rise of e-commerce in Kenya and Nigeria, has already opened up new avenues for independent freight forwarders in these countries. This trend is expected to increase in the coming years.

The AfCFTA will result in more investments towards digital innovation. This is the most logical outcome even though the agreement doesn't specify any concerns in the digital field. Phase 3 of AfCFTA clearly enumerates that the area of e-commerce will be given priority, which goes hand in hand with a robust digital infrastructure. It will gradually pave the path for a digital economy in the continent.

The expansion of e-commerce will drive a growing demand for distribution and warehouse management services driving business towards Logistics and Transport service providers with a well-established local network.

### Investment in infrastructure will help logistics companies

The AfCFTA  is expected to  bring intensive development of rail and road infrastructure across the continent. This will in large part be driven by the rise in trade. which will also see a need for specialized transportation services like cold chain logistics. Africa regularly exports meat, flowers and vegetables to countries in Asia and Europe. The development of rail and road infrastructure and the creation of new warehouses will greatly help shippers with the transportation of perishable shipments. The focus is expected to shift towards rail freight because of its cheap cost of operation. As a result, there will be a shift towards moresustainable multimodal transportation.

The creation of new trade routes will give rise to the need for warehouse operators and professional freight forwarders specializing in project cargo, cold chain logistics etc. This will also entail a growth in export volume. All of these will help to create a more competitive market. The overall economic growth and enhancement of sales processes will soon be translated into faster and cheaper shipping and enhanced connectivity between the domestic and international seaports.

# Egypt Well-placed to become the Logistics and Transport Hub for the region.

While the 22-2020 period saw supply-chain disruptions, the high number of transport projects under development has helped to bolster Egypt's transport and logistics prospects, Opening strong future prospects not only within Egypt for project transportation serving infrastructure but also in the region.

### Performance

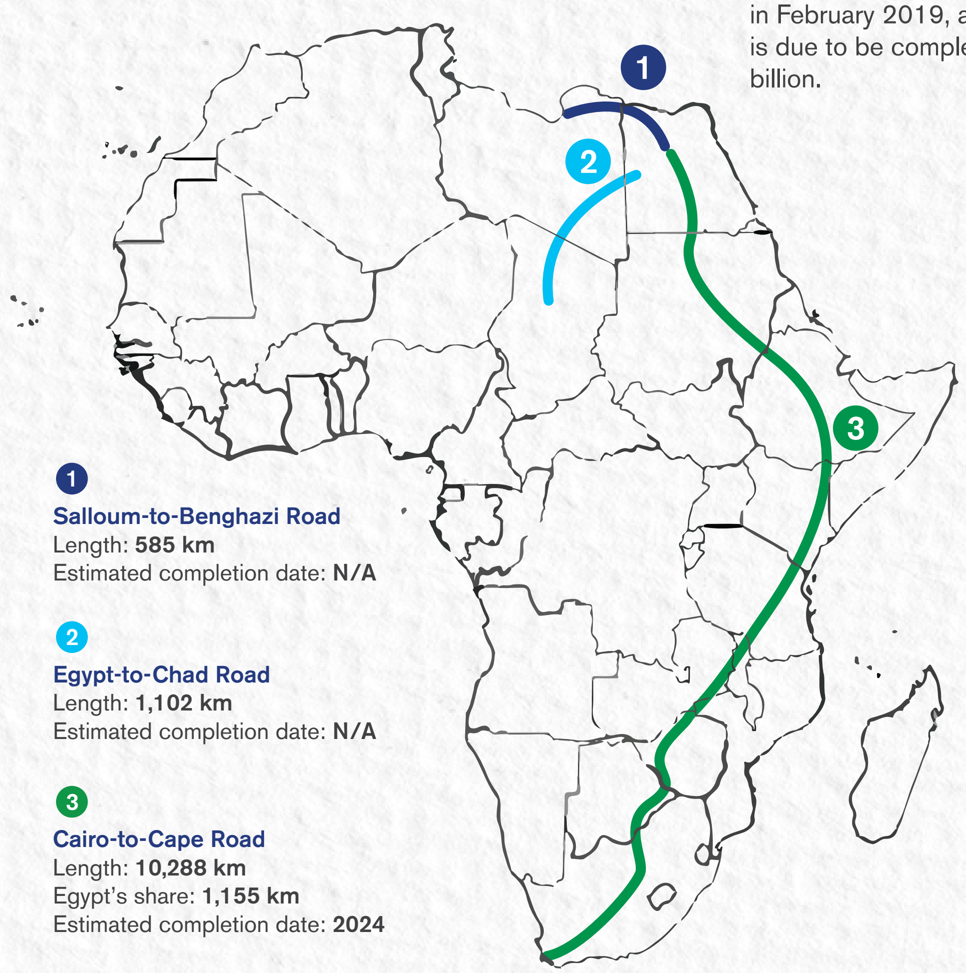
Despite disruptions that arose from the pandemic and subsequent geopolitical turbulence, war and economic repercussions, the medium- to long-term prospects for Egypt's transport and logistics sector in Egypt are very promising due to the number of road, rail, urban transit, air and maritime projects under development. As one of the busiest passenger and cargo centers in Africa, Egypt's transport and logistics sector is among the country's priority drivers of economic growth.  In terms of real GDP, Egypt's transport and storage sector has expanded steadily over recent years, from 3.2% in 2017 to 4.7% in 2021 reaching  $11.9bn.

### The Plan

The government has been scaling up infrastructure investment since 2014, largely driven by the country's rapidly increasing population. A 10-year transport development plan, spanning the years 2015 to 2024, aims to transform the country into a major international center for transport and logistics at a cost of LE1.6trn ($101.7bn). The program covers six main areas of development: tunnels and electric traction (LE837bn, $53.2bn); roads and bridges (LE474bn, $30.1bn); railways (LE225bn, $14.3bn); maritime transport (LE115bn, $7.3bn); dry ports and logistics (LE15bn, $953.1m); and river transport (LE3bn, $190.6m ).

### Air

Egypt's air segment benefits from the country's geographic location. It has one of the busiest passenger and cargo centers in Africa. As of 2019 it was the second-largest international air cargo market on the continent, accounting for 15% of all air freight. To capitalise on this, a large-scale logistics terminal for imports and exports, Cairo Cargo City, was built next to Cairo International Airport. It spans more than 191,000 m2 and has the capacity to process 290,000 tons of cargo per year.




### Ports and Shipping

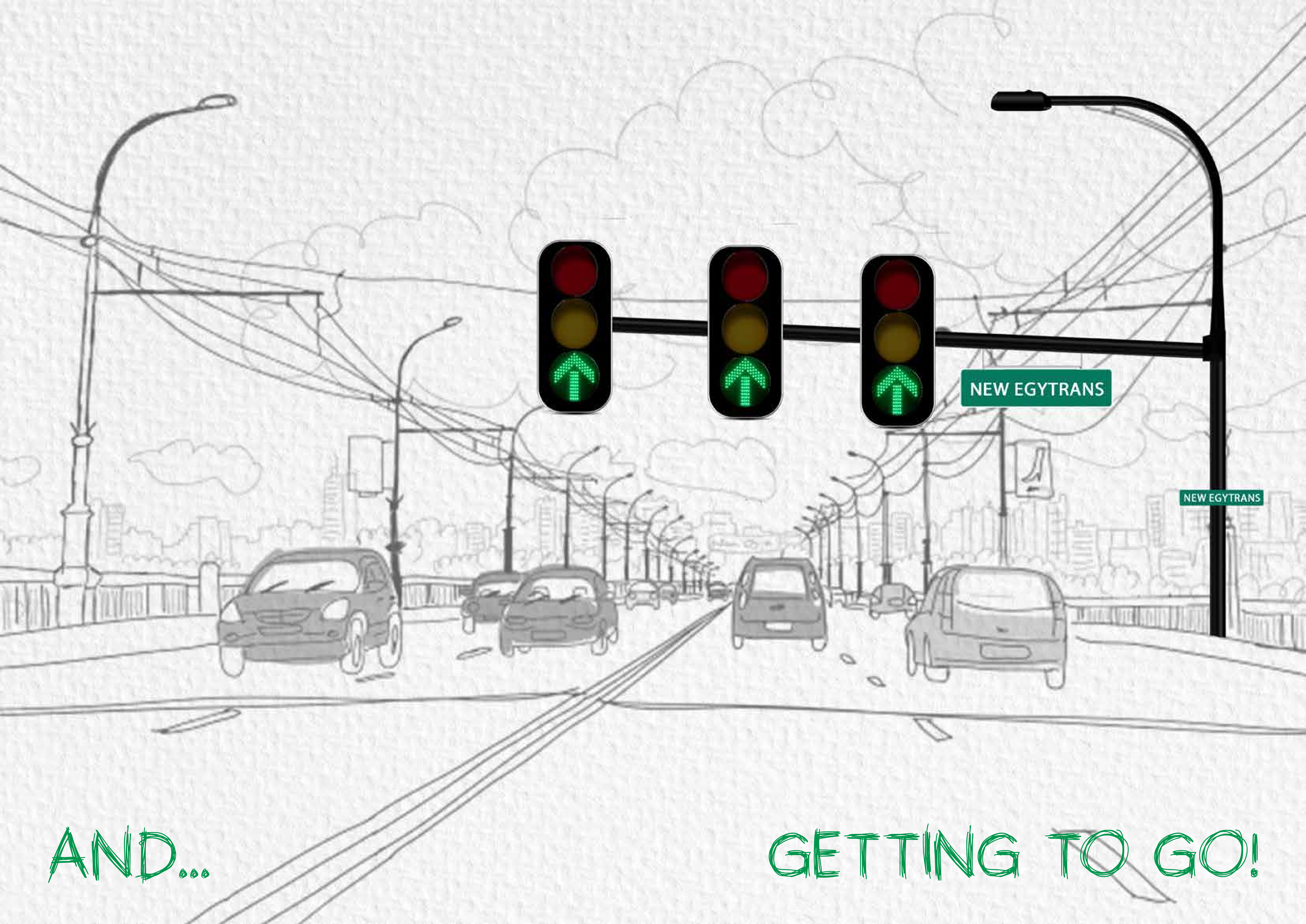
The government's long-term maritime strategy is based on raising the efficiency and competitiveness of Egypt's ports, and despite the pandemic and subsequent supply chain disruptions, the segment has steadily grown over the years. As part of Egypt Vision 2030 and its focus on infrastructure, the government plans to increase port capacity from 120m tons in 2016 to 370m tons by 2030.

Among major port projects under way is the expansion and upgrade of the country's largest, Alexandria Port, which handles around 65% of Egypt's trade. A new multipurpose terminal and the construction of deeper berths will increase the port's annual capacity from 66m tons to 100m tons and increase storage space to 1m m2 once completed in 2024.

### Road Transport

There are a number of intercontinental highway projects in the works. The most significant is the 10,300-km Alexandria to Cape Town Road (Pan-African Highway) connecting Egypt to South Africa through eight other African countries. Egypt's share of the highway will pass through eight governorates on the way to the Sudanese border. The roads in the Egyptian territory were completed in February 2019, and the final leg to Wadi Halfa in Sudan is due to be completed by 2024 at a cost of EGP 26 billion.

Other cross-border projects include a 1,100-km road through Libya to Chad and a coastal road from Salloum in northwestern Egypt to Benghazi in eastern Libya. Given Egypt's strategic location at the crossroads of Africa, Europe and the Middle East, road projects with neighboring countries are expected to boost regional trade and sustainable growth. Egypt's territory includes one of Africa's vital motorways, which spans from Cairo to Dakar through Alexandria and west along the North African coast to the Senegalese capital. With the arrival of the African Continental Free Trade Agreement, overland alternatives to maritime and air transportation can further facilitate intra-Africa trade.




AND... GETTING TO GO!

# 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 continue to be focused on diversification in a number of new service areas that are needed in the market. Areas of interest include 3PL 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. Following the success of our startup incubator program, Logivators, we continue to seek opportunities to engage with promising logistics startups that can enhance our business offering and provide us with competitive advantage in our industry.

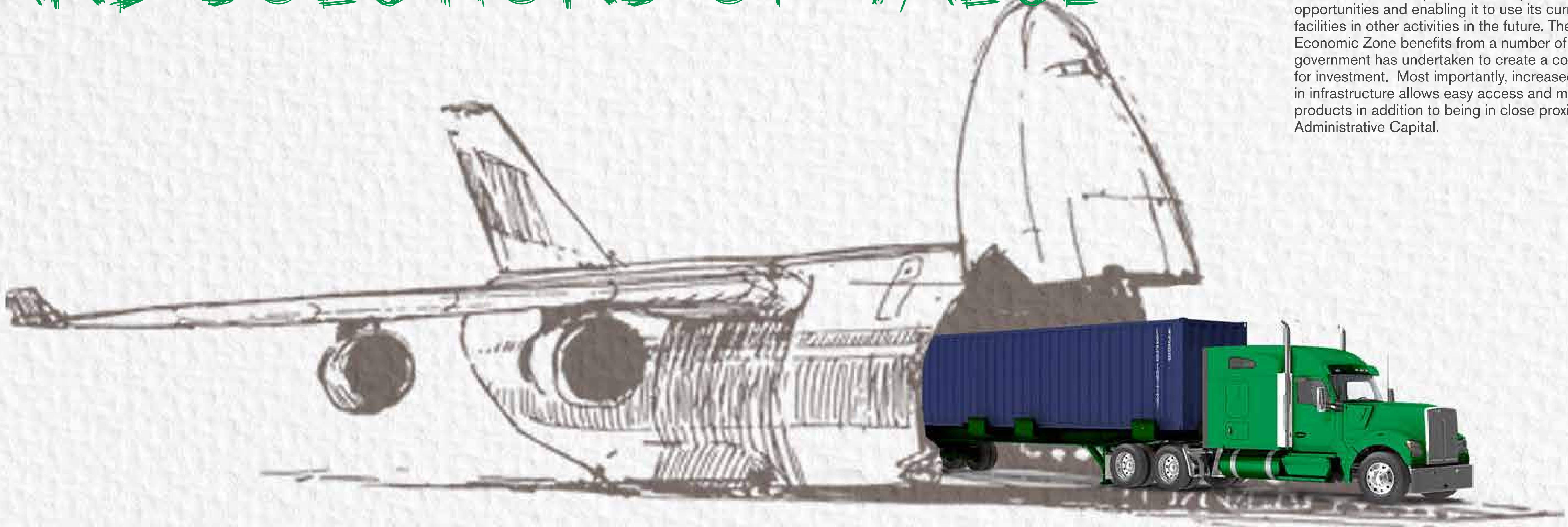
### Focus on return on investment

We adopt a 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.

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.

# DELIVER MORE SERVICES AND SOLUTIONS OF VALUE



## 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

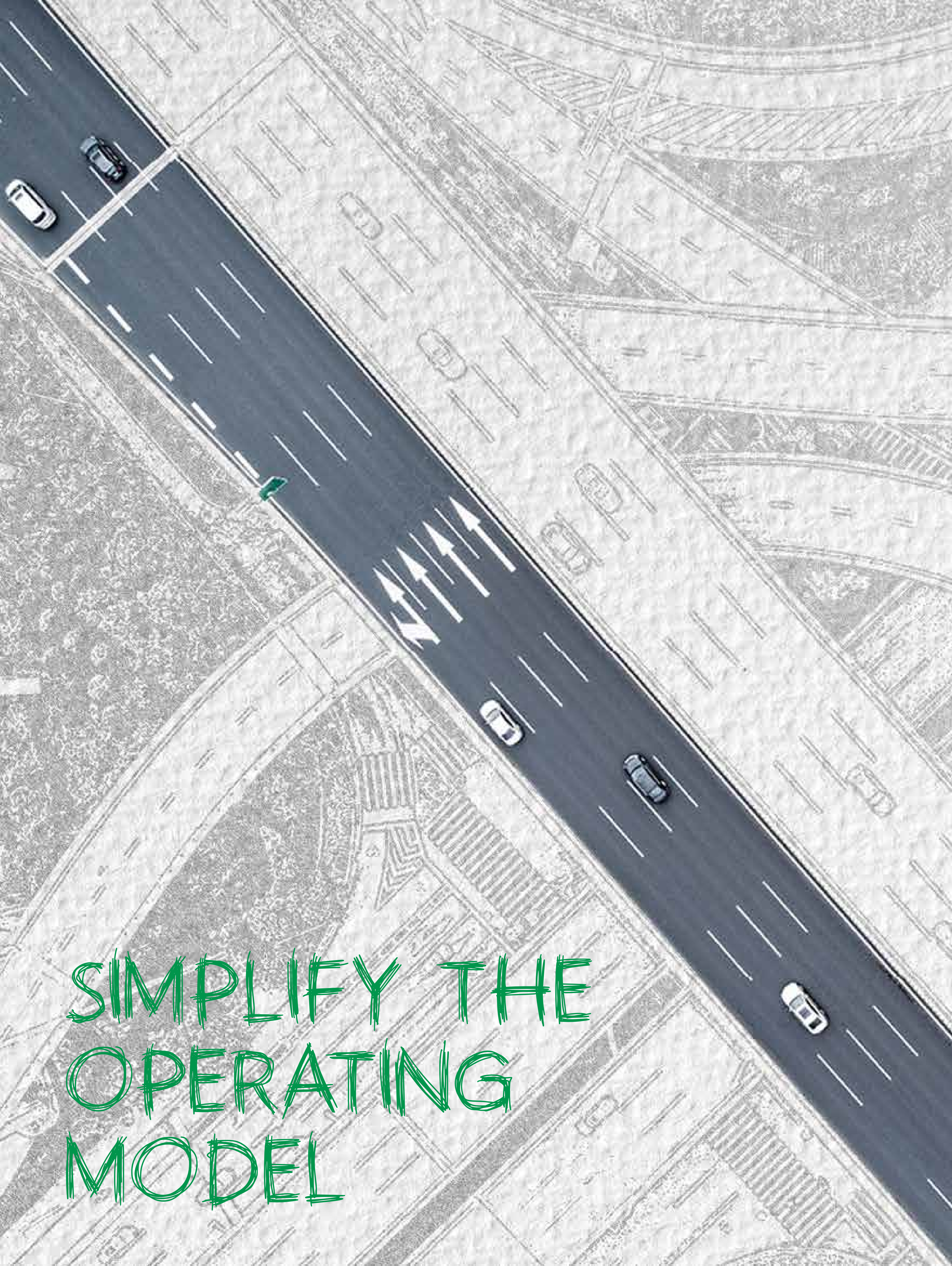
As both a defense and growth strategy, and to balance the risk of volatility in any sector, Egytrans needs to diversify the sectors it serves. Our strengths place us in an ideal position to do so after studying the needs and competitive landscape of each sector. Key sectors for new potential business 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 the past three years revamped our commercial activities, beginning with new websites for Egytrans and its subsidiaries 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. 2022 saw progress towards the establishment of the new auto warehousing facility, which will occupy a space of over 10000 m2, allowing Egytrans to expand capacity of its current Free Zone operations to capture new business opportunities and 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 area for investment. Most importantly, increased investment in infrastructure allows easy access and movement of products in addition to being in close proximity to the New Administrative Capital.



# 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

While digitization has always been an important aspect of streamlining the pandemic and following geopolitical repercussions 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.

### 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 2022, 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

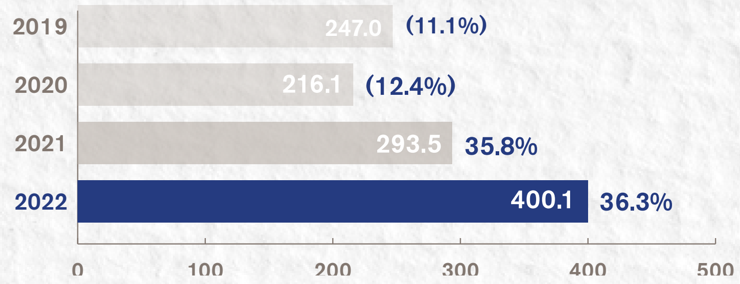
| Risk description | Assessment and mitigating activities | Macro Environment | Egytrans exposure |
|---|---|---|---|
| **Service quality**<br>Failure to comply with current Good Practices or inadequate controls and governance of quality in the supply chain covering Egytrans' ability to meet customer 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.<br>— 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**<br>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.<br>— 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)**<br>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.<br>— 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)**<br>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.<br>— 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)**<br>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.<br>— 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**<br>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 stable working environment.<br>— Egytrans' exposure level reduced due to improved risk management of our supplier portfolio and improvements to our crisis and continuity management framework. | → | ↓ |
| **Safety**<br>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.<br>— 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**<br>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.<br>— 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**<br>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.<br>— 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**<br>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.<br>— 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

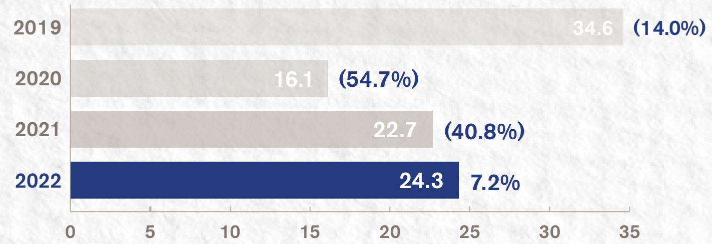
## Group Revenues

EGP **400.1** m



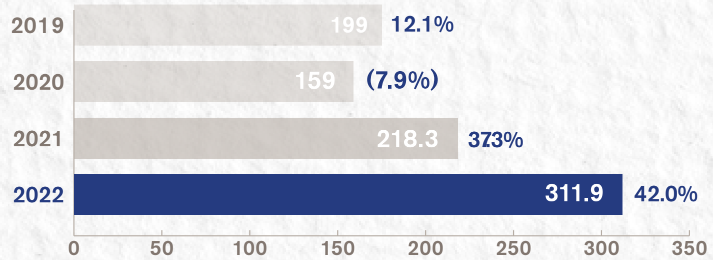

## Operating profit & margin

EGP **24.3** m



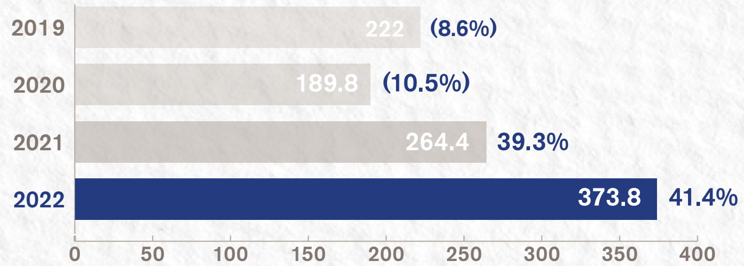

## Costs

EGP **311.9** m




## Core business line

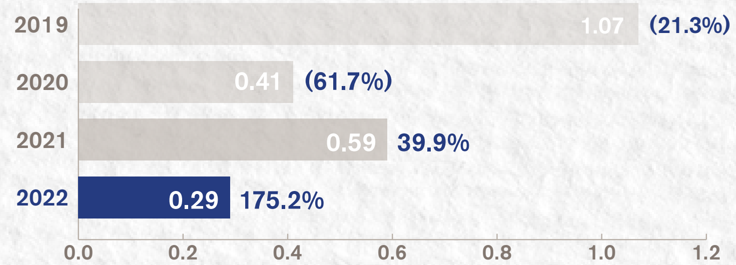
EGP **373.8** m




## Earnings per share

EGP **0.29**

Earnings per share for 2022 is calculated based on the stock split of 5 to 1

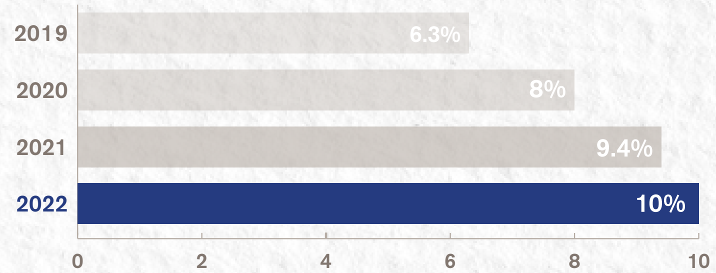



## Dividends per share

EGP **0.13**

## Employee turnover

**10**%




## Employees

**351**

## Customer satisfaction

**90**%

## Cash tax paid

EGP **8.4** m

# THE PATH TO TRUST

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

# The Path to Trust

## Trust is one of our long-term priorities. The more trust we build, the better we perform and the more value we create for shareholders, our people and society.

Our Trust priority covers our work across ESG factors, and is integral to our overall strategy. Our approach to ESG helps us deliver sustainable performance and long-term growth, as well as building trust with our stakeholders. It also reduces risk to our operations (see Risk management on pages 28,29) and helps us make a positive social impact. We have 10 commitments in ESG areas where we can make the biggest difference. The commitments help us respond to challenges and opportunities in our industry and broader society (see The Market We Operate in on page 10). They also contribute to many of the UN Sustainable Development Goals, especially Goal 8: Decent Work and Economic Growth and Goal 11 : Sustainable Cities and Communities which includes Road Safety, a particularly important goal for us at Egytrans.

### ESG Governance

Our Board and its committees oversee our progress against our commitments and how we are addressing the views and expectations of our stakeholders. The Egytrans Executive Team and senior management are responsible for delivery our Trust commitments and report regularly to the Board on progress (see Corporate Governance Section).

### Our approach to reporting

In this section, we report highlights of our 2022 progress against each of our Trust commitments. We provide more detailed reporting and data on each commitment in our Governance Report and our UN Global Compact Communication report which includes Sustainability, Accounting Standards and Governance activities.

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.

### Our Commitments

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

# Modern employer

A positive employee experience is critical to attract, retain and motivate. We want our employees to be empowered, happy and keep growing. As a modern employer, we believe that a strong employee experience 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.

## 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. Furthermore, recognition is an important part of employee motivation and engagement, and we are mindful of creating platforms that will allow us to create opportunities for appreciation. Our recently launched Star Award FY21 Recognition Program is one such platform that has been extremely successful.

Over the last period we have achieved a gradually improving employee engagement score and our objective is to maintain a competitive score. Our engagement scores show areas for improvement, such as career progression with results of 56.8% . On the other hand, positive engagement on leadership scored 80.7% and the overall result of 74.4% shows increased need to engage employees actively.

To that end our CEO instituted a new program of on location branch visits to meet with 100% of the staff, which has received a very positive response. The outreach has since been expanded to include regular site visits by senior management. Senior leaders across Egytrans are playing a pivotal role in engaging our people behind our vi, 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.

## Health and wellbeing

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. We run health and safety training for our people, which covers how to identify and take measures to reduce workplace risks. In 2022, our reportable accident rate remained at Zero, testament to our continued diligence in this area.

## Building Capability

We want our people to keep developing throughout their careers. Every employee has the opportunity to discuss and agree on a development plan with their manager. At Egytrans we are also mindful of nurturing the best talent and building our capability for the future. Integral to that is the importance of internal hiring. To that end we have redesigned our internal procedures for hiring ensuring that we have a second level of skill sets with a set development plan to fill future openings.

Opportunities 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 existing 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. In 2022 our people completed 665 training hours on different topics , including climate change , health and safety, , effective communication and business relationships and other technical and business courses.

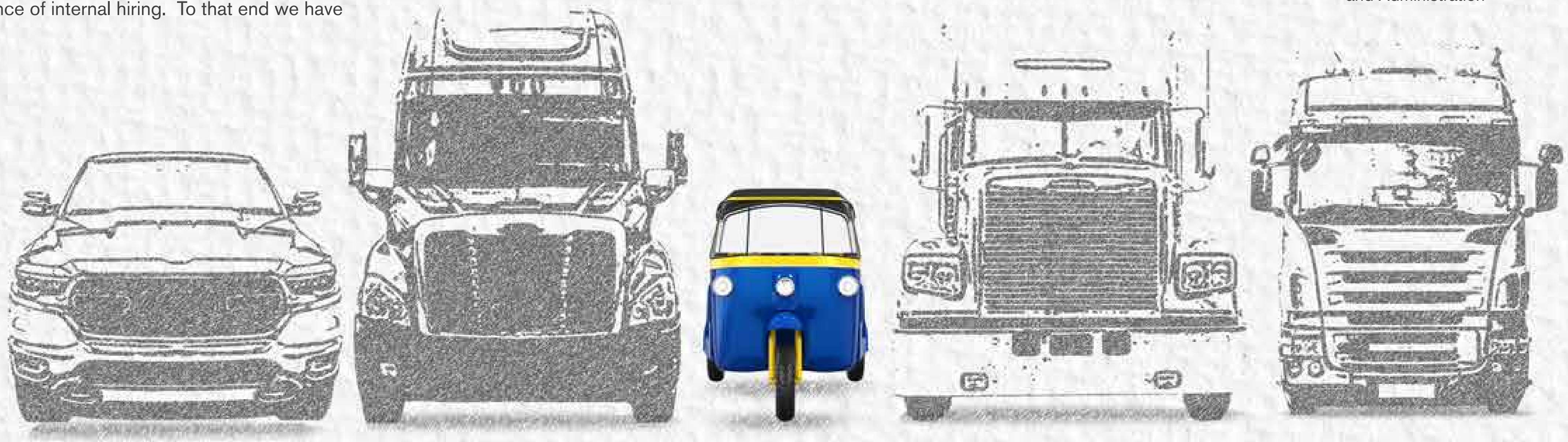
## Inclusion and diversity

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. Our CEO actively speaks on the importance and role of women in business in diverse forums, most recently the EGX Ring the Bell Annual Event responding to the call to action for businesses in Egypt to advance women's empowerment and gender equality in cooperation with the World Federation of Exchanges (WFE), UN Global Compact, UN Women, Sustainable Stock Exchanges (SSE) initiative and the International Finance Corporation (IFC). We also encourage our female employees to engage with society and in events, such as the National Council for Womens' Annual Women's Championship to promote the role of women in business.

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 not be 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
Director of Human Resources and Administration



# Ethical conduct

For Egytrans, Governance and Ethical conduct form the cornerstones of our operations. We are signatories to international standards that dictate ethical conduct and we abide by them, operating an ethical, values-driven culture in which any issues are responded to swiftly and transparently.

## 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.

## 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 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 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 vehicles they drive work and how to drive more efficiently, everyone wins.

# 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.

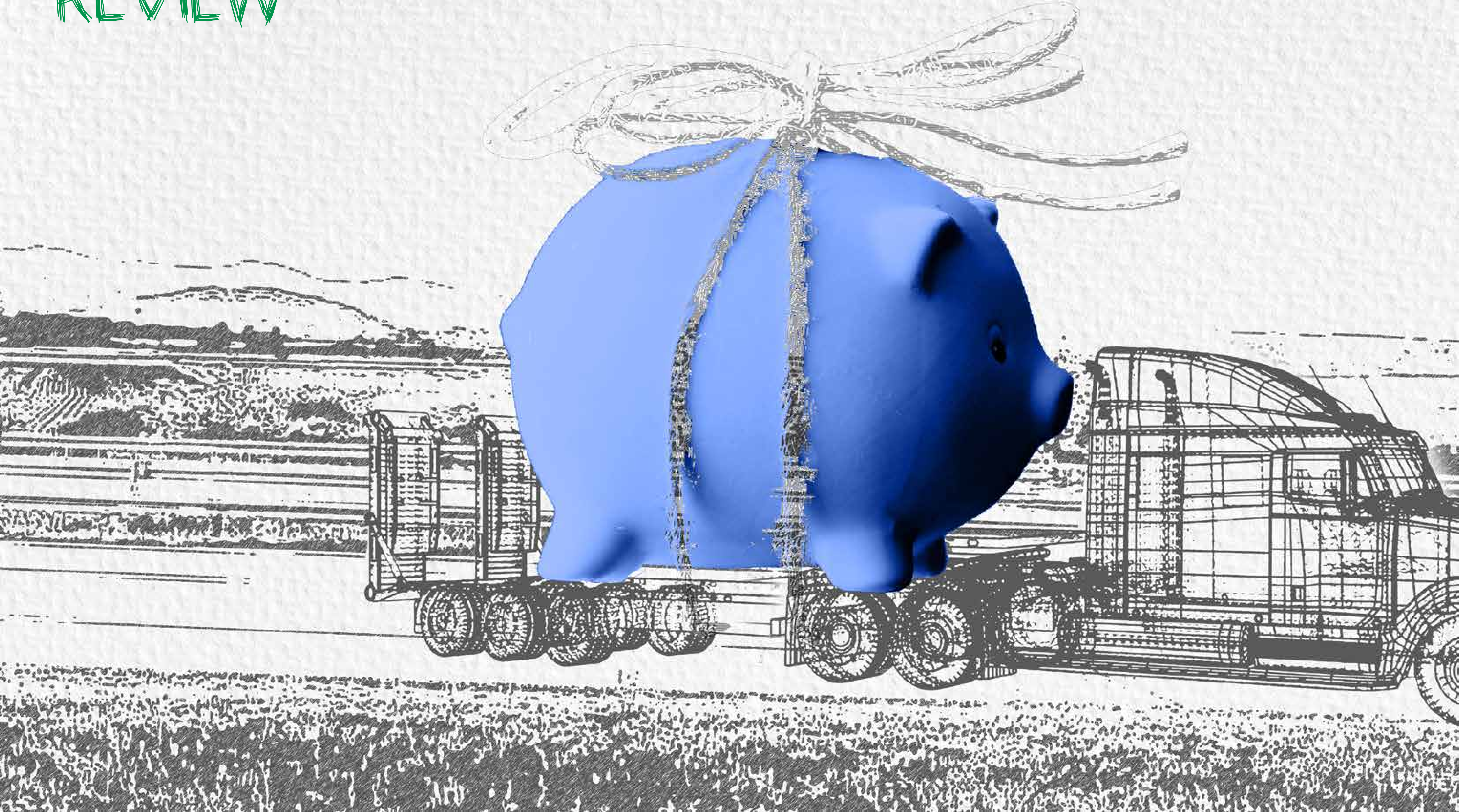
We have set our ambition on taking positive action towards contributing to the achievement of a Net Zero goal with aim of reducing carbon footprint across our value chain. We strongly believe that dialogue is the way forward,, and that Egytrans, as a leading provider of transport and logistics, has an obligation to society to partake in the discussions around Climate Change. Our CEO spoke at the UN Global Climate Change Conference (COP27) in Sharm El Sheikh and we championed the need for action on climate to protect our environment. We also joined diverse forums and task forces on Climate Change in Egypt to drive collective action in supply chains and transport and logistics to accelerate the shift to net zero.

Collaboration is an important part of our strategy and in 2022 we havejoined a number of organizations that will help us on the road to Zero. In September, we participated in a program sponsored by the EBRD for the first time which will allow us to set standards for the measurement of our carbon footprint and establish a concrete plan of action to reduce it through efficient fleet management and other practices, reduction of our energy consumption and adoption of new available technologies. Additionally, in November we joined the Green Transformation Partners (GTP), an alliance of private sector companies, overseen by the Alexandria Businessmen Association and endorsed by the Ministry of Planning, working together to measure and reduce carbon footprint.

Operationally, we have implemented a new fleet management system in ETAL to improve tracking and operational efficiency, including fuel consumption. Currently, Egytrans is working to revise the design of our new warehouse in Ain Sokhna for certification as an energy-efficient green building in the SCZone. That is in addition to engaging and collaborating with business associations to provide complete logistics solutions for renewable energy projects including wind farms and green hydrogen.

Among the areas that we are actively pursuing is reverse logistics, a relatively new global initiative and still in its infancy in Egypt. All elements of reverse logistics have green implications and effective implementation of reverse logistics cuts out inefficient return processes that result in unnecessary transportation with its negative environmental impact. More significantly, reverse logistics reinforces the circular economy and producing less waste and as a result has the highest impact in terms of green action. In November, Egytrans joined ReverseMi Logistics Network as its exclusive representative in Egypt. ReverseMi is a Global Association of Freight Forwarders aiming to professionally handle the movement of cargo for recycling, renovation and reuse and address the demands of the Reverse Supply Chain and logistics industry.

# GROUP FINANCIAL REVIEW



# Passing key milestones and looking ahead

I I am pleased to report on the financial performance of Egytrans.

Despite the challenges we all faced during 2022, 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 as outlined in the below report.

.

## Financial Performance

We are pleased to report that Egytrans' consolidated top line significantly increased by 36% vs. 2021, driven by improved operational and marketing capability. Profitability improved tremendously in 2022 with consolidated net profits increasing 152%. This was primarily due to the following factors:

- 2022 saw a significant increase in revenue by 36.21%, mainly attributable to new customer acquisition and increased services to established customers with the most significant contributor to growth being storage, free zone services, and logistics.
- Egytrans standalone's revenue from its regular business increased 41.4% with a corresponding increase in gross profit of 118% - a promising result given the circumstances in which we had to operate in 2022.
- EDS saw a considerable drop in revenue of 24.5% YoY, as a result of global market conditions, with only a 3% increase in cost.
- FX gain and Investment Income have been the largest contributors to net profit (EGP 36 million and EGP 12 million), reflecting improved financial discipline.

## Operational Efficiency:

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.

## Our approach to taxes

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 are fully compliant with tax laws, 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 establish strong foundations for the implementation of its strategic growth priorities. We are focusing on establishing the operational capability that will allow us to capture new opportunities moving forward. We are in particular pleased with the improvement in our working capital which, driven by new KPIs, enhanced the receivables process. Stringent controls have allowed us to continue to generate positive cash flow despite the liquidity crunch that characterized the market during 2022. Egytrans group succeeded in generating positive cash flow from operating activities amounting to EGP 58 million, which consequently increased cash balance from EGP 41 million in Y21 into EGP 87 million in Y22. This has allowed Egytrans to continue stable operations within a very difficult operating environment and screen potential investments for future growth.

## 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 0.29 in Y22 compared to EGP 0.11 in Y21. The 164% increase in earnings per share primarily reflected the effect of the overall improvement in Gross Profit by 19% in addition to profits from subsidiaries & forex gains.

## 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 future. In that regard, the Board has approved to pay 0.10 EGP as dividends per share accounting for the importance of further investment today to improve shareholder value for tomorrow. .

## Outlook

In 2023 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 topline 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 2023, 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 Road Map 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 2023 from any further potential impact on our business from the possible global recession and geopolitical turbulences impacting our business.

All expectations and guidance regarding future performance and dividend payments should be read together with the 'Cautionary statement regarding forward-looking statements'.

Ahmed Sakr
Director of Finance

# Egytrans

Egytrans' separate revenues reached EGP 373 million showing a strong jump of 41.4% Y-o-Y. In the meantime, costs increased almost by same pace of 42.0% to EGP 307.9 million while SG&A added 26.2% registering EGP 57.1 million. As a result, net operating profit almost tripled to EGP 8.8 million in 2022 from EGP 2.3 million in 2021. Net profit after taxes went up by more than a 100% to EGP 40.4 million in 2022 vis-à-vis EGP 18.5 million a year ago, representing Net Profit Margins of 10.8% and 7.0% for both respective periods. Earnings per Share (EPS) reached EGP 0.24 for 2022 compared to 0.12 in 2021.

| Revenues | Costs | Net operating profit | Net profit |
|---|---|---|---|
| EGP 373 million | EGP 308 million | EGP 8.8 million | EGP 40.4 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 big drop of 78.2% in its 2022 net profits after taxes to USD 0.167 million vis-a-vis USD 0.766 million in 2021. On the top level, revenues recorded a drop of 24.5% to USD 1.17 million as opposed to USD 1.55 million in 2021.

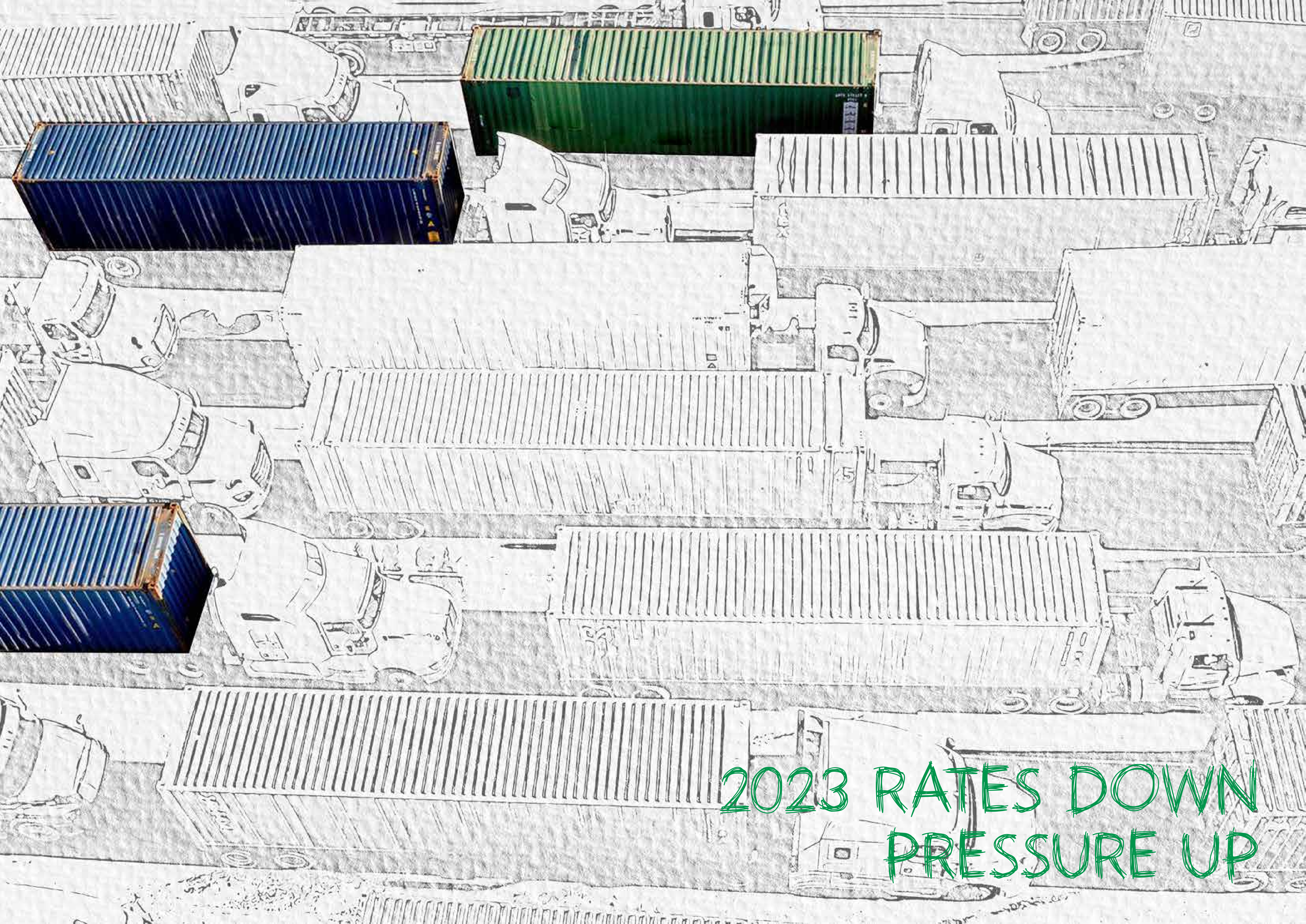
| Revenues | Costs | Net operating profit | Net profit |
|---|---|---|---|
| USD 1.17 million | USD 0.315 million | USD 0.520 million | USD 0.167 million |

# 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 recorded a negligible increase of 3.5% Y-o-Y, registering revenues of EGP 21.9 million in 2022 compared to EGP 21.2 million 2021. The COVID continuity in addition to the Russian invasion to Ukraine have led to a slowdown in the market for large infrastructure project, with net profit after taxes of a mere EGP 0.061 million compared to a previous year loss of EGP 0.305 million.

| Revenues | Costs | Net operating profit | Net profit |
|---|---|---|---|
| EGP 21.9 million | EGP 16.2 million | EGP 0.466 million | EGP 0.061 million |



# 2023 RATES DOWN PRESSURE UP

**Supply chains worldwide will continue to be caught between politics, economics and ecology in the future. The slowdown in global trade follows growth and is expected to worsen in 2023, a trend that will reflect on the trajectory of logistics and transport. However, soaring freight rates are over.**

# 2023 RATES down pressure UP

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 2022, all of the world's major economies were hit by a slowdown after the rebound of 2021. According to World Bank data, the pace of economic growth has thus been roughly halved, disrupted by elevated inflation, higher interest rates, and disruptions caused by Russia's invasion of Ukraine.

The supply chain side mirrored the economic environment placing logistics and transport under great pressure due to a number of lingering issues including the pandemic, huge increases in energy prices, large fluctuations in supply and demand for transport capacities, delays in ports and bottlenecks in road transport and the war, along with inflation did not improve the situation. In addition, there is also the environmental challenge and the question of how to reduce CO2 emissions and deal with the costs for doing so.

As a result of these unprecedented challenges, companies are analyzing their supply chains and searching for optimization tactics and alternatives. Short-term solutions are warehousing with the aim of greater stability in the supply of goods of all kinds. A longer term strategy under consideration is diversification of supplier base and nearshoring. Still, the economy has no short-term alternative to international production and trade and in that the forecasts are bleak.

### Bleak forecasts for 2023

The slowdown will continue and even worsen in 2023 estimates the World Bank. The institution has drastically revised its forecasts downwards, driving the point home in its report, stating: "The sharp downturn in growth is expected to be widespread, with forecasts in 2023 revised down for 95% of advanced economies and nearly 70% of emerging market and developing economies". It went on to say: "Given fragile economic conditions, any new adverse development—such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of COVID or escalating geopolitical tensions - could push the global economy into recession. This would mark the first time in more than 80 years that two global recessions have occurred within the same decade."

"the growth of the volume of global merchandise trade at only 1% for 2023"

## Decline in world trade

The general economic environment is strongly affecting world trade, whose growth, after falling to 4% in 2022, is expected to slow even further to 1.6% in 2023, according to World Bank estimates. Trade in goods, in particular, is expected to dwindle due to weak demand and a gradual shift in consumption towards services. The World Trade Organisation confirms this diagnosis. WTO economists, in their forecasts published in October 2022, have estimated

This is a very sharp decline from the +3.5% in 2022.

## Lull in transport prices

While inflation is far from being contained, there is one area where prices not costs are falling sharply our business: freight. The end of the vigorous post-pandemic recovery movement, which had disrupted supply chains, has helped reduce difficulties in access to transport capacity and in infrastructure congestion. In reality, the drastic amount of capacity increase in terms of ships and containers will soon find a capacity oversupply working to bring down prices more.

In the meantime beginning Q3 saw shipping, in the flagship markets of Asia-Europe, go down.  TI confirms that freight rates are almost back to pre-pandemic levels after being multiplied by 5 at the height of the overheating period. In air freight, prices are also contracting, even if they remain slightly higher than in 2019. These two sectors have been hit hard by the slowdown in trade.

The road transport sector generally reacts with a lag of a few months compared to international transport. This was again the case during this crisis. According to the Ti/IRU European Road Freight Rate Benchmark, freight rates reached peaks during the 3rd quarter. On the other hand, in the 4th quarter, the index showed a decline, both in the spot market and in the contract market.

The year 2023 therefore promises to be a tricky one for transport operators, who will have to manage this fall in rates while their operating costs are still very much affected by inflationary pressures, particularly in terms of energy prices.  As the CEO of Hapag Lloyd pointed out in a recent article, the significant increase in fuel prices will mean that shipping lines will have to reckon with freight costs around 20% to 30% higher than two to three years ago.  For freight forwarders  like Egytrans however, lower rates are good news... up to a point. The fragility of service providers also brings its share of uncertainties.

## Inflation Will Hinder Supply Chain Resiliency & Supply Diversification Efforts

Many companies have taken steps to mitigate the different types of disruption of their supply chain in the future. However, risk mitigation efforts often come at the expense of higher supply chain costs. There is typically a trade-off between greater efficiency and greater reliability/responsiveness.

The current high rate of inflation places cost pressures on companies, as they typically cannot pass 100% of the increases on to buyers. As a result, companies are likely to forego substantial supply chain risk mitigation efforts that will drive up costs. Instead, they are likely to carry higher levels of inventory as a lower cost alternative. The move away from risk mitigation will leave supply chains at greater risk to future disruptions than would be the case if risk mitigation efforts were established. However, this process will also increase inventory carrying costs and place additional pressure on demand for existing facilities.

> “supply chain management as a profession will never be the same. Military strategy changed forever after Hiroshima; supply chain strategy has been similarly transformed by the pandemic.”

### When the supply chain dances on the edge of a precipice

The term “supply chain management” was not a household term before the pandemic. Before the pandemic, when we said we worked in logistics or supply chain management, we had to explain what that meant. No longer. Now, however, the term, while ubiquitous, has become something of an excuse. If you go into a store looking for something, and it is not there, merchants can blame it on the supply chain regardless of the real cause.

The supply disruptions brought home the need for better supply chain risk management. Risk management on its own is a hard sell. Most of us don’t think about what could be and what if – unless you work in supply chain as we do, where risk is part and parcel of our bread and butter. For those who do not work in supply chain management, the unthinkable has entered the world economy over the past three years, first with the pandemic and then, despite the ongoing effects of the first event, the return of war in Europe. It is fair to say,

These two events have disrupted the daily lives of transport and logistics professionals, who have had to adapt urgently to ensure the continuity of the business. In the longer term, they mark the emergence of geopolitical factors and their hazards at the heart of the supply chain. The Allianz Risk Barometer 2023 is starting to reflect this trend, with the notion of “political risks and violence” now in the Top 10 (while the pandemic risk has disappeared from it). However, it is not certain that companies have yet fully grasped the extent of the upheaval that this implies for the strategy of globalisation as we have known it for three decades.

In the shorter term, the barometer of risks specifically identified in the transport & logistics sector, published for the first time by Allianz, sums up quite nicely the roadmap that awaits professionals in 2023. The economic environment remains of course the main concern, but there is also a particular sensitivity to legislative and regulatory developments. The energy crisis, which is very prevalent in the sector, is also forcing itself into the Top 5 on a par with cyber risk, while the threat of business interruptions is receding.

**Top 5 business risks in the Transport & Logistics sector**

| Rank 2023 | Risks | % | Rank 2022 |
|---|---|---|---|
| 1 | Macroeconomic developments (e.g monetary policies, austerity programmes, commodity price increase, inflation, deflation) | 27% | New |
| 2 | Changes in legislation and regulation (e.g trade wars and tariffs, economic sanctions, protectionism, Brexit, Euro-zone desintegration) | 25% | 4 (22%) |
| 3 | Cyber incidents (e.g cyber crime, IT failure/outage, data breaches, fines/penalties) | 25% | 5 (18%) |
| 4 | Energy crisis (e.g. supply shortage/outage, price fluctuation) | 25% | New |
| 5 | Business interruption (including supply chain disruption) | 23% | 1 (27%) |

Source : Allianz Risk Barometer 2023

> “The skill of transport and logistics professionals will be measured by their ability to manage their activities in the short term in this complicated context, while investing or at least preserving the ability to invest in order to face the growing structural challenges.”

Contrary to what many may think, globalisation is not a thing of the past. It is a lasting and structuring foundation of the global economy. On the other hand, the patterns of globalisation conceived in the 1990s have revealed their limits, their vulnerability and consequently their obsolescence. 2023 has started under stormy economic skies, which could brighten in the second half of the year.

from the energy transition to digitalisation through to the reconfiguration of value chains. Logistics and Transport companies are working hard on resolving issues and improving capability with major changes potentially happening in the freight forwarding sector.

As we move forward, it’s clear that global supply chains will continue to not only need exceptional risk management solutions, but also improved climate friendliness. One thing is certain: the trend is to take every bit of $CO_2$ reduction into account and leverage climate potential step by step wherever sensible and effective. This may take place through innovative technology and efficient and digital processes,  requiring fewer resources and therefore resulting in reduction of emissions. Switching to low-emission modes of transport, motors, and fuels is the most important way to further climate protection in the transport sector and logistics. However, this comes at a cost, and as a result will take time.

Ali Abdallah

Director of Business Development

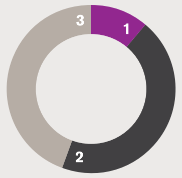
# Corporate Governance

In this section

# Chairman's Governance Statement

## Composition

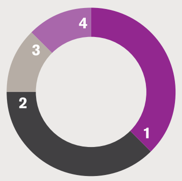
**Board**
till 31/12/2022




| | |
|---|---|
| 1. Executive | 11.1% |
| 2. Non-Executive | 44.4% |
| 3. Independent | 44.4% |

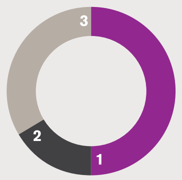
## Tenure

**Board**
till 31/12/2022




| | |
|---|---|
| 1. Less than 1 year | 33.3% |
| 2. Up to 2 years | 33.3% |
| 3. 7 - 8 years | 11.1% |
| 4. Over 8 years | 11.1% |

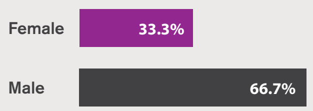
**Executive**
till 31/12/2022



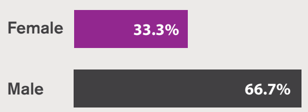

| | |
|---|---|
| 1. Up to 2 years | 60% |
| 2. Over 2 years | 40% |
| 2. Over 8 years | 40% |

## Gender diversity

**Board**
till 31/12/2022




**Executive**
till 31/12/2022




I am pleased to present our Corporate Governance report for 2022 and an overview of the changes to our governance arrangements for 2023 as we work towards the separation of the Group and the establishment of the New Egytrans group structure.

### Dear shareholder,

Last year was an important one for Egytrans. The Board led by Abir re-set the strategic direction of the company. I was honored to have the opportunity to join the Board and help shape the separation to create a new Egytrans more aligned with market priorities. I was particularly excited to work with Abir. She has brought real clarity to decision making, where a logistics veteran might have been less dispassionate. She has also attracted the best in the industry to form her top team. The Board is focused on supporting her and management in transforming the Group and executing our strategy. At the beginning of this important journey for the company and for my tenure at Egytrans, it was helpful that my first Board meeting in March last year was followed by a robust induction process, designed by Abir, to inform my understanding of Egytrans. This was a great start. As a result together, we were able to consider the next steps for our plans and the way forward.

### Board priorities: governance and delivery

The business is now entering a period of significant positive change and opportunity. Culture change is complex, and takes time and sustained effort. The Board is fully committed to this work because a healthy culture is a vital tool in unlocking and protecting value. The Board acknowledges that the biggest driver of our culture is the leadership of the company. The culture shifts underway, driven by the restructuring and Trust targets set out in 2018, continues to be role modelled by the Executive Team and the Board, where their words, actions and behaviors set the tone for employees and the wider workforce.

The Board feels very confident in the Executive Team and that each of the individual Board Directors bring relevant experience and skills which are collectively appropriate. Egytrans mission of delivering services to help companies deliver upon their promise to people remain at the heart of its values and culture. There is full commitment from the Board as a whole to support the overarching strategy of creating a New Egytrans structure. The Board is confident that the Executive Team is focused on driving performance over the next three years.

he Board receives the results of our regular employee surveys as a principal means of assessing how the shift in culture is embedding in the organization. This transformation is focused on four principal areas as indicators of progress of the people culture transformation, namely: – Appoint and promote the right people – Leadership capability – Employee engagement and – Ways of working. The Board also receives regular updates from the Head of Human Resources, on progress against these priorities.

The Board further supports the approach to culture change employed by management in seeking to appoint and promote the right people, enhancing the company's governance controls and processes to further support and incentivize the right behaviors, and training and developing employees.

### Corporate Responsibility and Reaching Zero

The Board focused its oversight on key aspects of our Trust priorities. The main areas of focus were our safety culture, inclusion and diversity and community involvement and ESG performance for Egytrans. The Board is pleased with the performance of Egytrans in the performance on its trust commitments.

The Board is aligned with the management on the urgency of action on issues of climate change. There are some disconcerting metrics out there regarding climate change and greenhouse gas emissions. While we have a lot of work to do it's important to acknowledge that many components of our supply chains are moving the right direction. What we need now is a commitment from our partners up and down logistics to affect positive change.

As we move forward, it's clear that global supply chains will continue to not only need exceptional risk management solutions, but also improved climate friendliness. One thing is certain: the trend is to take every bit of CO2 reduction into account and leverage climate potential step by step wherever sensible and effective. This may take place through innovative technology and efficient and digital processes, requiring fewer resources and therefore resulting in reduction of emissions. Switching to low-emission modes of transport, motors, and fuels is the most important way to further climate protection in the transport sector and logistics, however, this comes at a cost and as a result will take time.

We have set our ambition on taking positive action towards contributing to the achievement of Net Zero goal with aim of reducing carbon footprint across our value chain. We strongly believe that dialogue is the way forward, and that Egytrans, as a leading provider of transport and logistics, has an obligation to society to partake in the discussions around Climate Change. Collaboration is an important part of our strategy and in 2022 we have joined a number of organizations that will help us on the road to Zero. Details on our actions and progress in this can be found under our Trust Section on pages 32.

### Moving Forward

The Board's annual cycle of meetings ensures that all major components of our strategy are reviewed over the course of the year. 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. Egytrans is well positioned in 2023 to support the delivery of long-term value for both shareholders and society.

Further details of the Board and its committees' work during 2022 are set out in the following pages. I look forward to connecting with you at our Annual General Meeting this year and updating you at that time on the transformation of the new Egytrans. Thank you for your continued support.

Sincerely,

Gamal Moharam

**Mohamed Gamal Moharam**
Chairman of Egytrans

# Our corporate executive team

## Abir Leheta
Chief Executive Officer

### Appointed
June 2015

Abir Leheta sits on the board of Egytrans, the leading national transport and logistics provider, as the company's CEO, a role and title she has fulfilled since 2015. Recognized by Forbes as one of the Middle East's 100 Power Businesswomen in 2020 and again in 2023, 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. In 2015, Abir Leheta was elected as Chairman and CEO of Egytrans, thereby becoming the first woman chair in the 45-year history 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. In addition, she is the Co-chair of the Transport Committee at the American Chamber of Commerce (AmCham), Vice Chair of the Transport Committee of the Egyptian Businessmen's Association (EBA) and Chair of the African Women's Committee of the Egyptian African Businessmen's Association (EABA). She is also Board Treasurer of the Global Compact Network Egypt, the local chapter of the UN Global Compact.

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).

## Yomna Ali
Director of Human Resources and Administration

### Appointed
September 2018

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 Salah
Director of Projects

### Appointed
March 2019

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
Director of Business Development

### Appointed
October 2020

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.

## Ahmed Sakr
Director of Finance

### Appointed
April 2022

Sakr is a Financial Management professional with 22 years of multidisciplinary experience with a consistent record of delivering results in growth, revenue, cost, operational performance and profitability. Throughout his career, Sakr has displayed excellence in managing financial functions, providing insight to the financial decision-making process, streamlining and formulating cost-effective solutions for enhancing overall profitability of organizations. Early on in his career, Sakr started as a Marketing Analyst at KPMG Hazem Hassan Consulting Services in 1999, where he successfully managed a number of world-renowned international brands across diverse industries such as Kraft foods, Edita, Coca-Cola, Ghabbour Auto (Hyundai), ASEC Cement, British American Tobacco, DHL, Travco Holding, Thomas Cook, and Novartis Pharma among others. Later on, Sakr gained extensive knowledge in financial planning, controlling and auditing through auditing financial statements and projects for NGOs such as Near East Foundation Office and the United Nations for Relief and Works Agency for Palestinian Refugees (UNRWA). In 2002, Sakr was promoted to Audit Deputy Manager where he demonstrated strong leadership skills, supervising audit teams and leading negotiations and biddings. With his results-driven approach and expertise, Sakr became Accounting Manager at Kuehne + Nagel Ltd. Egypt in 2012 and began managing and directing the entire range of financial operations across Egypt in 2016 as the National Finance & Administration Manager. In this role, he drove P&L improvements and led the budget-planning process with an emphasis on ensuring service reliability, reducing costs and improving gross margins, revenue earning capacity and profitability. Sakr graduated with a Bachelor's degree in Commerce from Helwan University in 1999. He went on to attain a Diploma of Feasibility Study and Business Valuation from the Faculty of Economics and Political Science from Cairo University in 2001. Sakr passed the intermediate level of the Egyptian Society for Accountants and Auditors in 2008, as well as the four sections of the CPA Exam from New Hampshire Board of Accountancy in 2012.

## George Farid Wadie
Director of Operations

### Appointed
March 2022

George Wadie is a results-driven professional with profound success surpassing business growth objectives by designing and implementing effective logistics strategies, resulting in efficiency improvements and cost savings. Wadie has a proven track record of maximizing profits by identifying operational inefficiencies and implementing processes to elevate productivity, while keeping operational costs to minimum. He has a demonstrated history of directing logistics procedures across global and multinational environments, including Italy, Greece, Turkey, Lebanon, Jordan, Slovenia, Croatia, and Egypt.

Wadie's expertise extends to multiple areas in logistics and transport, business development, warehousing operations, supply chain planning and management, contract negotiations, digitalization and automation. He has held several managerial positions in multiple renown organizations such as Multi-Level Group, Namma Shipping Lines and Reliance. Most notably, Wadie was the General Manager at Transmar, and Country Manager at Damco (A.P. Moller Maersk).

Wadie holds a BSc in Mechanical Engineering, with a minor in Computer Sciences, especially Design, Materials & Manufacturing from the American University in Cairo (AUC). He later went on to attain Post-Graduate Diploma in Shipping, Economics, & Administration from Maersk International Shipping Education in Denmark.

# Our Board

## Mohamed Gamal Moharam (N)

**Chairman, Independent Member**

**Appointed** April 2022

**Skills and Experience**

In addition to his role as Chairman of Egytrans, Moharam is the current Chairman of both MGM Financial and Banking Consultants and the Egyptian Company for Investment Funds Management. Moharam's career started in the financial and banking sector, where he held various positions, including Vice Chairman of Fleet National Bank, Representative of Bank of New York in Cairo from 1987 to 2002, Chairman and CEO of the Egyptian Commercial Bank (ECB) until 2006 and Chairman and CEO of Piraeus Bank until 2008. Throughout his exceptional career in financial management, Moharam played a significant role in achieving strategic objectives across all of the organizations, institutions and banks in which he held leadership positions, qualifying him to chair the American Chamber of Commerce (AmCham Egypt) between 2009 and 2013. With his multifaceted knowledge and rich experience in diverse fields, Moharam became a Non-Executive Chairman of Alexandria International Container Terminals (AICT) in 2011.

**External Appointments**

With a successful track record in a variety of sectors, Moharam was appointed on the boards of many organizations and institutions including Eastern Company S.A.E., the Egyptian Stock Exchange, Sudanese Egyptian Bank, Rasmala Investment, Suez Canal Company for Technology Settling, CI Capital, Xceed, Beltone Financial Holding, Al-Futtaim Group in Dubai, Federation of Egyptian Banks, and Education for Employment - EFE Egypt. In addition, Moharam is a founding member of People and Police for Egypt Association. Moharam is dedicated to serving the community through his role as President of the Egyptian Factoring Association and the Child and Community Development Foundation. He also held the position of Treasurer for the Gezira Sporting Club from 2006 to 2010. Moharam holds a Bachelor's degree in Commerce 1974.

## Abir Leheta (I)

**CEO**

For biographical details see page 56

## Mohamed Sultan (I)

**Non Executive Member and Shareholder**

**Appointed** April 2022

**Skills and Experience**

Mohamed Sultan joined the Board of Directors of Egytrans as an independent member well-versed in the world of banking and managing operational transformations. In 2015, Sultan assumed the position of Chief Operations Officer at the Commercial International Bank – CIB Egypt. Under his leadership, the operations were restructured into new profit centers. During that time Sultan was also a permanent member of the Higher Committee for Lending and Investment and co-chaired the Non-Financial Risk Committee. He was the founder of the Group of Chief Security Officers for Cybersecurity and Information Threats. Prior to that Sultan was the Head of the Operations Group between 2009 and 2014, and before this he was Head of Retail Banking Operations. Prior to joining CIB, Sultan served as Country Operations Head and Acting Head of Consumer Business at the National Bank of Oman in the UAE in 2007. For the previous 10 years, Sultan held the position of Vice President of Branch Operations and Control Management at Mashreq Bank Dubai, where he oversaw UAE, Qatar, Egypt and Bahrain operations.

Sultan holds a Bachelor's degree from Cairo University's Faculty of Commerce. He also obtained several training and postgraduate programs, including International Managers Program, Advanced Management Program, Executive Finance Program in France, INSEAD's Leading Organizations in Disruptive Times Program, IMD Strategic Innovation Leadership Program in Switzerland, MIT Sloan Information Technology Program in USA, and the Leadership Program from Queen's University in Canada. Additionally, Sultan is certified by the Association of Certified Anti-Money Laundering Specialists (ACAMS).

**External Appointments**

In addition to his duties, Sultan is a member of the boards of directors of a number of organizations such as Telecom Egypt, INSEAD Alumni, and CIB Bank. He was also a member of the Global Payment Committee for Wells Fargo between 2009 and 2015. .

## Dr. Heba Leheta (N)

**Non Executive Member and Shareholder**

**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.

## Samer El Waziry (A)

**Independent Member**

**Appointed** March 2020

**Skills and Experience**

Samer El Waziry 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 Waziry is known as an unrelenting bottom line driver with a remarkable track record of spearheading organic and inorganic business expansions.

**External Appointments**

El Waziry 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 Waziry was CFO of Raya Holding and GSK. El Waziry holds a Bachelor of Commerce from Cairo University and a management diploma from Harvard Business School.

## Dr. Mohamed Hassan Youssef (N) (I)

**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 and Public Policy, the American University in Cairo (AUC) in 2010 . Additionally, Youssef obtained his PhD in Public Administration from the Faculty of Economics and Political Science, Cairo University in 2022.

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

## Ola Abdel Wahab El Garf (A)

**Non Executive Member representing NIB**

**Appointed** March 2022

**Skills and Experience**

Ola El Garf holds the position of Settlements and Special Lending Operations Representative of the National Investment Bank (NIB). She is a Non-Executive Member representing National Investment bank on Egytrans board, and also member of Audit and corporate Governance Committee. Prior to her current position, Ola joined the National Investment Bank in 1993, where she moved through many departments in the Programs and Policies sector and the Collection and Debt Settlement sector. In 2014, she assumed the position of Director General of Settlements and Restructuring, moving up to become representative of the Bank for Settlements and Special Lending Operations in 2016. She sat on the board of the Export Credit Guarantee Company of Egypt until 2020 and the board of Al Tameer Mortgage Finance for the past year. Ola holds a Bachelor's degree in Accounting from the Faculty of Commerce, Cairo University in 1992.

## Sayed Zakaria El Bahey

**Non-Executive Member representing NIB**

**Appointed** December 2022

**Skills and Experience**

Sayed Zakaria El Bahey, First Deputy of the National Investment Bank since 2019, is a professional financial expert specialized in the banking and finance industry including business budget analysis, business valuation and debt settlement, with a focus on preparing economic feasibility studies, settling and rescheduling loans, and financing and crediting economic units.

El Bahey's extensive expertise in his field enabled him to contribute to the growth and development of the entities and organizations he worked at. His knowledge and rich background come from his keenness to attend economic programs related to the green economy, debt management, and stock market analysis.

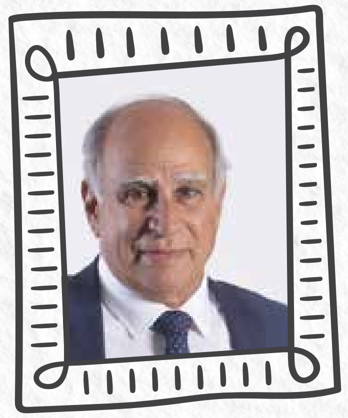
He also participated in many training courses on investment risk management, the basics of assessing the creditworthiness of customers, accounting systems, banking treatment, long-term cash flow, commercial lending, strategic planning and development, and various other economic issues.

El Bahey holds a Bachelor of Commerce in Accounting In 1989 and a Postgraduate Diploma in Investment and Finance.

**External Appointments**

El Bahey sits on the boards of several ministerial committees, such as Housing and Electricity, and the Board of Trustees of the Egyptian Radio and Television Union. He was a member of the Board of Directors of the Egyptian Media Production City Co. (EMPC), as well as Abu Qir Fertilizers and Chemical Industries.

## Capt. Nehad Abouelfadl (I)



**Independent Member**

**Appointed** April 2022

**Skills and Experience**

Nehad Abouelfadl's profile comprises 45 years of professional experience, 23 years of which were spent in maritime transport and cargo handling in various international ports, and 22 years as a specialist in marine services of all kinds, general cargo vessels, heavy lift and containers, as well as customer audits and reviews. Captain Abouelfadl's career began in 1981 as an Officer in the Arab Academy. He went on to become Chief Officer on various types of vessels until 1998. He then worked as Port Captain for Bahri Line in Livorno Italy and in 1999 took over the management of container vessels for CMA-CGM in Marseille, then Central Planner of Bahri Shipping Line between Livorno and Mediterranean, Middle Eastern and Indian ports until 2018. For the two following years, Abouedfadl worked as the Bahri Logistics Operation Consultant in Riyadh head office, and with his extensive experience in the shipping and maritime management sector, he developed strategic plans that led to remarkable performance development through pricing and sales processes, and by conducting analyses and studies of the costs of ports, storage, and stevedoring. He also supervised the feasibility studies for new routes, which in turn boosted revenues significantly. By focusing on identifying key issues, Abouelfadl helped significantly in growing and controlling the business. He also achieved great success by developing key performance indicators and successfully implementing action plans. Abouelfadl is well-versed in budget review studies, loss assessment, logistics management and cost minimization, which helps in redirecting containers for optimization. All of this experience helped the organizations he worked with to reduce risks by highlighting them, and also led to positive communication with customer service departments and a closer relationship with them, which in turn led to higher growth rates for these businesses. Abouelfadl obtained a Bachelor's degree in Marine Sciences in 1975 and a Certificate of Competency Master FG of Merchant vessel in 1980 .

**Key**

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

# Independent committee members

### Ameer Sherif
N

Partner at Khwarizmi Ventures and Chairman at BasharSoft

### Appointed

March 2020

### Skills and Experience

Ameer is a Partner with Khwarizmi Ventures, a $70m early stage VC fund investing across the MENA region. The fund has made 30+ investments in FinTech, Logistics, E-commerce, SaaS, Marketplaces, and more verticals. Ameer is also the Co-founder and Chairman of BasharSoft, the company behind WUZZUF and FORASNA.com - Egypt's leading online employment platforms for white-collar professionals and blue-collar workers respectively. Collectively, both platforms impacted the lives of 6million+ job seekers in Egypt, and helped 50,000+ companies successfully hire more than 1million people.

With significant growth and impact on the local online employment market, he grew the company to become one of Egypt's 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, VNV Global, and more.

In 2019, he was selected as an Endeavor Entrepreneur and named a Young Global Leader by the World Economic Forum. Ameer holds a MSc degree in Computer Engineering and BSc in Electronics both from Cairo University. He also completed executive programs on Public Policy at Harvard Kennedy School and business leadership executive programs at Stanford, MIT, INSEAD, and HBS.

### External Appointments

He sits on multiple boards, including ITIDA, the executive arm of the Ministry of ICT in Egypt, to help in setting strategies from for Egypt on entrepreneurship and innovation.

### Mohamed Abdel Aal
A

First Undersecretary of the National Investment Bank (NIB)

### Appointed

October 2022

### Skills and Experience

Mohamed Abdel Aal is the First Undersecretary and Head of Banking Operations and Payment Systems at the National Investment Bank (NIB). He brings 35 years of banking experience gained in various roles with escalating responsibility within different departments including credit, IT and investment funds, culminating in his current role.

Abdel Aal graduated with a BSc in Accounting from the Faculty of Commerce, Ain Shams University and later went on to obtained his Diploma in Investment and Finance from Ain Shams University.

### External Appointments

Besides his duties in NIB, Abdel Aal held the position of Vice Chairman at the Egyptian Saudi Co. for Industrial investments, and Vice Chairman at the Industrial Development Company. He sits on the boards of the Egyptian Kuwaiti Investment Company, Egyptian Linear Alkyl Benzene (ELAB), Egyptian Co. for Special Steel (Arcosteel), Design & Manufacturing of Capital Equipment Co. (DAMCO), El Nasr Castings Co., and Arab Investment Bank (aiBANK).

He is also the Chair of the Audit & Governance Committee in several companies, such as Saudi Egyptian Industrial Investment Co., El Mostakbal for Urban Development, Helwan Fertilizers Co., and the Industrial Development Company. Moreover, he is the Chair of the Audit Committee and member of the Risk committee and the Governance committee of the Export Development Bank of Egypt (EBank) and the Audit and Governance Committee of Abu Qir Fertilizers Co. and Egytrans.

### ② Khaled Kamel
A

Chief Financial Officer (CFO) of ElSewedy Industries Group

### Appointed

May 2022

### Skills and Experience

Khaled Kamel is currently the Group CFO for El Sewedy Industries group with a scope of 28 legal entities operating both locally and internationally in various sectors including trade, industry and real estate. Kamel's profile comprises 20 years of expertise in various financial functions from corporate accounting, treasury, costing, planning and tax to mergers and acquisitions. Before assuming his current role, Kamel led a diversified career starting with Daimler Chrysler, moving to Pfizer Middle East, Cadbury Africa, Nestle Near East, Takeda Africa, and Wadi Group.

Kamel is a qualified instructor for financial courses, such as "Finance for Non-Finance" and "Business Partnering for Finance", and a financial consultant helping startups in different industries sharpen their business model and maximize their profit gain and return on their investments and interests. With his transformational leadership skills and knowledge, Kamel helps organizations transform from local and family businesses into corporates with an inclusive setup from system transformation, organization revamping, to redefining their targets and driving efficiencies and sustainability.

Kamel holds a Bachelor's degree in Economics & Accounting from the American University in Cairo (AUC) 2002, as well as a Master's degree in Business Administration 2006.

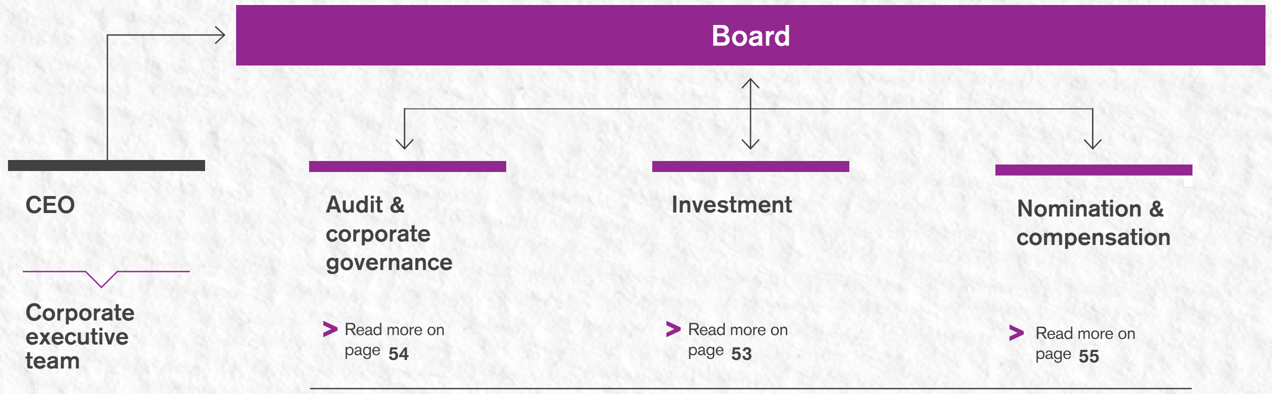
### External Appointments

Kamel is a Certified Board Member from the International Finance Corporation (IFC) as well as the Financial Regulatory Authority (FRA). He currently sits on the boards of diverse institutions including Katameya Clinic Hospital and Wellcare Hospital, in addition to a number of international companies related to El Sewedy investments. Kamel is also a member of Egytrans Audit and Governance Committee, and the Industrial and Construction committees in the Egyptian Junior Business Association (EJB).

# 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' Grow, Deliver Simplify 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 2022

| | Board of Directors | Nomination & Compensation Committee | Audit & Corporate Governance Committee | Investment Committee |
|---|---|---|---|---|
| No. of Meetings in 2022 | 16 | 1 | 6 | 1 |
| Members | 9 members | 4 members | 4 members | 4 members |
| Mr. Mohamed Gamal Moharam | 12/11 | -------- | -------- | -------- |
| Eng. Abir Leheta | 16/16 | -------- | -------- | 1/1 |
| Dr. Heba Leheta | 16/15 | 1/1 | -------- | -------- |
| Eng. Mohamed Ashraf Omar | 8/7 | 1/1 | -------- | -------- |
| Mr. Samer El Waziry | 16/16 | -------- | 6/6 | -------- |
| Eng. Mohamed Okasha | 3/2 | -------- | -------- | -------- |
| Mr. Mohamed Khodeir | 3/2 | 1/1 | 1/1 | -------- |
| Dr. Mohamed Hassan Youssef | 16/16 | -------- | -------- | 1/1 |
| Eng. Tarek Malash | 8/5 | -------- | -------- | -------- |
| Mrs. Ola El Garf | 12/12 | -------- | 6/6 | -------- |
| Mr. Mohamed Sultan | 12/11 | -------- | -------- | 1/1 |
| Capt. Nehad Abou El Fadl | 12/12 | -------- | -------- | 1/1 |
| Mr. Sayed Zakareya El Bahey | 2/2 | -------- | -------- | -------- |
| Mr. Ahmed El Sayed Khalil | 1/1 | -------- | -------- | -------- |
| Eng. Ameer Sherif | -------- | 1/1 | -------- | -------- |
| Mr. Khaled Kamel | -------- | -------- | 5/5 | -------- |
| Mr. Mohamed Abdel Aal | -------- | -------- | 2/2 | -------- |

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

# Committee statements

## Investment Committee Statement

**Mohamed Sultan**
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 | since |
|---|---|
| Mohamed Sultan Chair since 2022 | 2022 |
| Abir Leheta | 2016 |
| Dr. Mohamed Hassan Youssef | 2020 |
| Capt. Nehad Abouelfadl | 2022 |

> Details of the Committee members' skills and experience are given in their biographies under 'Our Board' on pages 58 to 60. See page 61 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 |
|---|---|---|
| Finance Director | ✓ | |
| Commercial Director | ✓ | |
| Projects Director | | ✓ |
| 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.

This is even more the case in recent years with increasing challenges in our industry, such as increasing technological and regulatory complexity, cost pressures, risk management and competitive differentiation opportunities. These are some of the precedents driving customer demand for solutions.

More information on the outlook of the market can be found on pages 46:51. As the complexity of transport and logistics grows, this requires more focus on what choices to make for the future health of the company, given limited resources. Critical to that is our continued monitoring of the key forces transforming the T&L segment, to enable the committee to take informed decisions on short versus long-term investment focus.

### The New Egytrans

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 by bringing differentiated, high-quality solutions and services to our customers. Our long-term priorities of Grow, Deliver, Simplify in addition to Trust are a guide to help us in delivering our strategy.

As a result of this process, our focus has been on capacity building in our core business areas. For Egytrans, increasing the commoditization of our core business required us to look for opportunities to combat price erosion, or offset seasonal variations in sales cycles that is characteristic of the project business of ETAL. Building further on our integrated service portfolio, tailored to customers needs, required a more flexible approach to creating new revenue sources. On an organizational level, this has included investment in the development of new technological systems to provide improved visibility and financial capability in addition to capacity building such as improved and expanded warehousing or introduction of new service offerings such as EAS – Egytrans Automotive Solutions in the SCZone.

We continue to oversee investments that will fortify our current business in terms of capacity building, including the merger-acquisition with National Transport and Overseas Services Company (NOSCO), one of the leading companies specialized in land transport for mega-projects, whose activities integrate with the existing operations and business of Egytrans.

### Digitization for Simplification and Growth

We have noted in our previous reports that digitization is a key driver in our growth strategy and drives efficiencies across the business. Over 2022 we have invested in solutions allowing us to upgrade our financial and operational capability. By putting digital technology at the heart of our business, we build internal capacity and embed agile ways of working allowing the delivery of improved service to customers and achieving efficiency savings.

We have also made headway in our goal of integrating new digital solutions into our business. Logivators, our transport and logistics incubator, has provided us with access to new tools and technologies that complement our established capabilities.

### A Conscientious Approach to Investment

Expectations of business are changing. As well as delivering financial returns, companies are expected to create value for a range of stakeholders through taking action on social and environmental issues. Some are calling for the purpose of business to be redefined, saying a corporation exists to benefit all stakeholders, moving away from the long-standing endorsement of shareholder primacy. At the same time, investors are increasingly asking companies to articulate how they are managing a range of environmental, social and governance risks and opportunities. Companies are expected to contribute to the UN Sustainable Development Goals, especially as we move into the final decade for their delivery by 2030. Additionally, more recently there is growing public demand for companies to play a role in managing climate change and mitigating climate risk, as well as addressing other environmental issues such as plastics, air pollution and water management. The logistics and transport sector in particular has a trust deficit and remains under sustained scrutiny around ethics and compliance and more recently its impact on the climate.

Egytrans has long held the view that ESG factors impact our long-term success and so are important to our investment decisions. Ensuring a high-quality, safe and reliable supply chain for our customers is a priority for us. Our robust quality management systems support continuous improvement, helping us to maintain high standards and comply with relevant regulations, Beyond that, we are currently in the process of evaluating our present impact on the environment, a critical enabler in helping us to make conscientious investment decisions going forward.

### Next Steps

We will continue to execute on our strategic objectives of Grow, Deliver and Simplify along with our Trust Commitments 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.

**Mohamed Sultan**
Investment Committee Chair
February 12, 2023

## Audit and Corporate Governance Committee Statement

**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 | since |
|---|---|
| Samer El Waziry Chair since 2020 | 2020 |
| Ola El Garf | 2022 |
| Khaled Kamel | 2022 |
| Mohamed Abdel Aal | 2022 |

> Details of the Committee members' skills and experience are given in their biographies under 'Our Board' on pages 58 to 60. See page 61 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 | ✓ | |
| Finance Director | ✓ | |
| Internal Audit Manager | ✓ | |
| QHSE & Risk Manager | ✓ | |
| Operations Director | | ✓ |
| Legal Affairs Manager | | ✓ |

# Audit and Corporate Governance Committee Statement cont.

## Dear shareholder,

I am pleased to present the Audit & Governance Committee report.

I joined the Committee in 2020 when I was appointed as Chair. I have been drawing on my business background, including the years I served as CFO and Board member in leading companies. In doing so, I have always viewed people, processes, systems and importantly, culture as the critical foundation for successfully managing a Governance system along with financial reporting, audit and compliance.

In my time serving on this Committee and through my observations more generally as a Board member, I am confident that Egytrans controls score highly in all these areas.

## Our culture and people

Egytrans has a strong compliance culture with a consistent tone and engagement from the top. This is regularly considered and emphasized in Committee discussions, and we have a zero-tolerance approach to any unethical behavior. Our risk management and internal control framework is mature and well embedded in the organisation, as demonstrated in the 'Risk management' section of the Strategic report on pages 28,29. where our management of each principal risk is clarified. This enables the Committee to evaluate and oversee how Egytrans manages principal and emerging risks.

The Committee also routinely exercises oversight of improvements to our compliance culture. Everything we do at Egytrans is underpinned by having great people with the right skill sets. Indeed, our corporate governance framework requires good people to make quality decisions and do the right thing.

As Committee Chair, I have unfettered access to the senior leadership and key members of their teams. Regularly throughout the year, I meet with key Committee attendees from management, including the Finance Director, Internal Audit Manager, and others. Crucially, the committee also has the ability to speak with key members of management in group sessions or alone as required.

## Our processes and systems

These are fundamental for appropriate financial reporting, controls and managing risks. We are well positioned in this respect, as the company's main accounting and reporting systems are well established. Over the past three years, I have overseen concerted action taken towards improving the foundation of our financial reporting in terms of systems and processes and Egytrans has come a long way towards establishing the foundation of a well-functioning financial system that continues to be upgraded periodically. This frees up our finance people to focus on the core business operations and decision making.

The Committee continues to exercise regular oversight and monitoring activities over these critical financial systems. The integrity of our financial statements, including the annual and quarterly results announcements, is an enduring key focus of the Committee. Since joining the Board and Committee, I have been impressed with the clarity and rigour around these processes. The Committee's position has always been to aim for clear and transparent financial disclosure in all of Egytrans' financial reporting. As I have highlighted in my report last year, we have continued to ensure that the company's financial reporting and controls framework remains robust and do not require any fundamental changes. This has been important even during the time of the pandemic and its impact on the company's ways of working. In addition, the external auditor regularly tests our financial systems and controls, challenges management, and reports results to the Committee. This includes any areas of deficiency that the external auditor has identified and progress in remediation of issues, all of which are discussed and evaluated.

**Samer El Waziri**
Audit & Governance Committee Chair
February 11, 2023

# Nomination and Compensation committee statement

**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 |
| Mohamed Gamal Moharam | 2022 |
| Dr. Heba Leheta | 2016 |
| Dr. Mohamed Hassan Youssef | 2022 |

> Details of the Committee members' skills and experience are given in their biographies under 'Our Board' on pages 58 to 60. See page 61 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 |
|---|---|---|
| HR & Administration Director | ✓ | |

## Dear shareholder,

I am pleased to present my third report as Chair of the Nominations and Compensation Committee.

The Committee played an important role in delivering our key priorities to prepare the organization for the new Egytrans in readiness for the intended restructuring.

## Shaping the Egytrans Board for the future

### Chairman Succession

At the beginning of the year, the focus of the Committee was on filling the role of Chairman in line with the corporate governance directive to separate CEO and Chairman roles. Broad selection criteria were used focusing on potential candidates with the following characteristics: –board leadership/Chair experience; – a strong preference for CEO/MD experience; and – ideally, experience within the industry. More details on the selection process can be found on page 67. The Committee also considered the ideal transition for this important role and was very pleased when Gamal accepted the responsibility of non-executive Chairman to replace Abir, who continues to maintain her responsibilities as CEO.

### Board Changes

The new board composition is a major added value and constitutes an important pillar for strengthening the company's strategy and supporting its team in order to achieve greater growth and development by relying on the best mix of skills and expertise in management and investment.

The board restructuring process saw the welcoming of Ola El Garf, Mohamed Hassan Youssef, and Sayed Zakaria El Bahey, as Non-Executive Members representing The National Investment Bank (NIB), in addition to Captain Nehad Abouelfadl and Mohamed Sultan as Independent Members to our board of directors. Their extensive experience and diverse backgrounds will strengthen our operations and serve Egytrans' strategy as it continues to realign itself, flexibly and efficiently, to adapt and grow the business to the demands of the market while still ensuring high levels of quality and service.

Ola El Garf is the Settlements and Loan Operations representative of the National Investment Bank (NIB), and also a member of Audit and corporate Governance Committee. She brings extensive knowledge to Egytrans in various financial functions including programs and policies, collection and debt settlement, as well as private loan and special lending operations.

Mohamed Hassan Youssef is the Under-Secretary of Technical Support for Investment at the National Investment Bank (NIB), with decades of cross-industry knowledge in transport, technology and finance, with several books and numerous articles to his name with a core focus on economics and financial instruments.

Sayed Zakaria El Bahey is the First Deputy of the National Investment Bank since 2019, and a professional financial expert specialized in the banking and finance industry with knowledge in green economy programs, debt management, and stock market analysis.

Mohamed Sultan is well-versed in the world of banking and managing operational transformations with a proven track record of success in CIB Egypt, National Bank of Oman UAE, and Mashreq Bank Dubai. Under his leadership, the operations of CIB were restructured into new profit centers. During that time, Sultan was also a permanent member of the Higher Committee for Lending and Investment and co-chaired the Non-Financial Risk Committee. He was the founder of the

Group of Chief Security Officers for Cybersecurity and Information Threats.

Nehad Abouelfadl has 45 years of professional experience in maritime transport, cargo handling and marine services as well as customer audits and reviews. Abouelfadl is well-versed in budget review studies, loss assessment, logistics management and cost minimization, which helps in redirecting containers for optimization and achieve higher growth rates for businesses.

The new board members will take the place of Non-Executive Members and shareholders Raed El Meshaal, Mohamed Ashraf Omar and Tarek Malash, Non-Executive Member representing the National Investment Bank Ahmed Ismail, as well as Independent Members Mohamed Khodeir and Mohamed Okasha, who have stepped down from the board of Egytrans, following years of dedicated contribution to the development and growth of the company. We are grateful for the support and wisdom they have contributed to Egytrans, and the guidance they offered that led Egytrans to a new level of development and agility.

## Executive Team Changes

The committee followed the best practices in the recruitment of key senior executive appointments as part of the overall restructuring of the organization, thoroughly assessing the capabilities and skills of each candidate against the chosen criteria.

The Committee, over the past three years, has played an important role in delivering our restructuring priority to transform Egytrans management capability. In the last few years, the Committee has been thoughtful in its approach to refreshing the management of Egytrans and aligning our governance principles with our priorities of Grow, Simplify, Deliver and most importantly Trust to meet business requirements for the long-term benefit of shareholders, customers, employees and other key stakeholders.

This year, CFO Mohamed El-Zoheiry left Egytrans' executive team after a period of extensive development in the finance functions where he played an instrumental role in the company's growth initiatives, operational and financial strategies, as well as assessment of organic and acquisition expansion opportunities, governance and financial risk management.

Replacing Mohamed El-Zoheiry is Finance Director Ahmed Sakr, a financial management professional with 22 years of multidisciplinary experience. The committee saw Sakr as the ideal candidate due to his excellent track record in managing financial functions and considerable experience within our core industry, providing insight to the financial decision-making process, streamlining and formulating cost-effective solutions for enhancing overall profitability of the organization.

The team also welcomed Operations Director George Wadie, a logistics professional with a demonstrated history of directing freight forwarding and shipping procedures across global and multinational environments. Wadie's expertise extends to multiple areas in logistics and transport, business development, warehousing operations, supply chain planning and management, in addition to a proven track record of maximizing profits by identifying operational inefficiencies and implementing processes to elevate productivity. These new additions are perceived to create a more cohesive and smoothly functioning team, further accelerating our transformation efforts.

### Board composition, tenure and diversity

The Board has sought to balance its composition and tenure, and that of its committees and to refresh them progressively over time so that the company can benefit from the experience of longer serving Directors, and the fresh external perspectives and insights from newer appointees. Non-Executive Directors are drawn from a diverse range of industries and backgrounds and have a wealth of experience in complex organizations.

Many of our Board members have experience of long-cycle industries, which is of great assistance in understanding the industry in which we operate. We are committed to the diversity of our Boardroom just as Egytrans is committed to equal opportunities for all our employees and in the wider workforce at all levels of the organisation.

The Board and management seek to encourage a diverse and inclusive culture throughout Egytrans. A key requirement of an effective Board is that it comprises a range and balance of skills, experience, knowledge, gender, social-economic backgrounds and independence, with individuals who are prepared to challenge each other and work as an effective team. This needs to be backed by a diversity of personal attributes, including character, intellect, sound judgement, honesty and courage. In support of promoting the long-term success of the company, the Committee is responsible for developing measurable objectives to assist the implementation of the Board's diversity policy and monitoring progress towards the achievement of these objectives.

Closing this gap between the Board and Executive Team gender representation and further increasing the pipeline of female direct reports to the Executive Team to achieve our 2025 target of 33%, remains a particular area of attention. We are pleased that good progress has been made, as we have already met our board and executive level 2025 targets. More details on the representation of women in management positions at Egytrans is illustrated on page 54, as part of the gender diversity of Egytrans' workforce.

I would like to thank my colleagues on the Committee for their commitment and diligence in supporting the Committee's work during 2022.

**Ameer Sherif**
Nomination & Governance Committee Chair
February 25, 2022

# Chairman Succession

At the beginning of 2022, we announced that Abir Leheta would step down from the position of Chairman in line with the requirements of the EGX with regard to separation of duties, but would continue in her role until a new Chairman was selected and joined the Board. This was a good time for a transition as the company was delivering improved operating performance and had developed a clear new strategy for the next few years.

The selection process was led by the Nomination and Compensation Committee and supported by the Director of Human Resources. In addition, the Committee sought input from the CEO, Abir Leheta during the process, as appropriate. The Committee began by developing and agreeing a job specification for the role of Chairman which included the skillset, experience and key leadership characteristics required to lead the Egytrans Board through the next stage for the company.

The job specification emphasized that the new Chairman would lead the Board through the Company's next phase of development which would involve: – continuing to drive Egytrans strategy of building a sustainably growing Logistics and Transport business by strengthening operations and the pipeline; overseeing the potential NOSCO acquisition and its successful integration into Egytrans; and undertaking further business development. This would thereby prepare the company for the foreseen establishment of five separate entities, with separate governance structures; – whilst continuing to improve the company's operating performance;

The following key personal attributes were identified in the job specification: – proven, respected Chair or a senior executive with considerable non-executive director experience in businesses of scale and complexity; – experience of the Egyptian capital markets with an appreciation of Arab and other international shareholders; – good understanding of corporate governance; – experience of businesses with significant portfolio change including mergers, acquisitions and divestments;
–– logistics and transport experience was preferable, but not mandatory; – experience of a regulated industry; – reputation, stature and authority to command respect both externally and internally.

Whilst deciding the job specification described above, the committee also engaged with several shareholders and advisers and secured their input and advice. The pool of suitable candidates began with a long list; after due consideration this was reduced to a short-list. Briefing reports on the shortlisted candidates were reviewed, after which the candidates met with the CEO and other Board members.

This process resulted in the Nominations and Compensation Committee confirming Gamal Moharram as the most suitable candidate to be Egytrans' next Chairman. Our recommendation was approved unanimously by the Board and on xx date we announced that Gamal would join the board as Non-executive Chairman effect from date xx and Abir stepped down from that position on the same date.

Gamal met the independence requirements set out in the Code on appointment. As required by the Board-approved external appointments policy, his significant existing commitments, with an indication of time involvement, were disclosed and taken into consideration prior to his appointment.

The Board was pleased to welcome Gamal, who has significant experience in logistics and transport, and in the financial management and governance of organisations of scale. More significantly, Gamal brings an extensive networking capability gained through his sojourn as President of the American Chamber of Commerce. In addition to his rich expertise in financial management, and the promise of optimal business growth drawing on his experience as current Chairman of both MGM Financial and Banking Consultants and the Egyptian Company for Investment Funds Management.

In terms of Board experience, Gamal has held multiple positions including Eastern Company S.A.E., the Egyptian Stock Exchange, the Smart Village, Sudanese Egyptian Bank, Rasmala Investment, Suez Canal Company for Technology Settling, CI Capital, Xceed, Beltone Financial Holding, Al-Futtaim Group in Dubai, Federation of Egyptian Banks, and Education for Employment - EFE Egypt. In addition, Moharam is a founding member of People and Police for Egypt Association, among others. Throughout his career Gamal has demonstrated a passion for knowledge and is known for his integrity and professionalism.

# Annual report on remuneration

## The financial entitlements of the members of the Board and the chairpersons and members of the committees affiliated to the Board of Directors during 2022:

| Entitlements including rewards and attendance and transport allowances of the board members and members of the committees during the period from 1/1/2022 till 31/12/2022 | | | | | |
|---|---|---|---|---|---|
| name | Status | Annual Bonus | Attendance Allowance | Transport allowance | Total |
| Mr. Mohamed Gamal Moharam | Chairman | 635,000 | 3,500 | 66,500 | 705,000 |
| Eng. Abir Wael Leheta | CEO | 1,800,000 | 5,000 | 115,000 | 1,920,000 |
| Dr. Heba Wael Leheta | Non-executive board member | 150,000 | 5,000 | 103,000 | 258,000 |
| Mr. Samer El Waziry | Independent board member | 150,000 | 5,000 | 136,000 | 291,000 |
| Dr. Mohamed Hassan Youssef | Non-executive board member (Representing NIB ) | ---- | 500 | 109,500 | 110,000 |
| Mrs. Ola El Garf | Non-executive board member (Representing NIB) | ---- | 500 | 135,500 | 136,000 |
| Capt. Nehad Abou El Fadl | Independent board member | 105,663 | 4,000 | 83,000 | 192,663 |
| Mr. Mohamed Said Sultan | Independent board member | 105,663 | 3,500 | 73,500 | 182,663 |
| Mr. Sayed Zakareya El Bahey | Non-executive board member (Representing NIB) | ---- | ---- | 19,000 | 19,000 |
| Eng. Ameer Sherif | External Expert (Nomination & Compensation Committee) | ---- | ---- | 5,000 | 5,000 |
| Mr. Khaled Mustafa Kamel | External Expert (Audit & Corporate Governance Committee member) | ---- | ---- | 28,000 | 28,000 |
| Mr. Mohamed Abel Aal | External Expert (Audit & Corporate Governance Committee member) | ---- | ---- | 7,000 | 7,000 |
| Eng. Mohamed Ashraf Omar | Non-executive board member | 75,000 | 2,000 | 51,000 | 128,000 |
| Eng. Tarek Malash | Non-executive board member | 75,000 | 500 | 13,500 | 89,000 |
| Mr. Mohamed Hany Aziz Khodeir | Independent board member | 27,348 | 500 | 23,500 | 51,348 |
| Eng. Mohamed El Sayed Okasha | Independent board member | 44,337 | 500 | 18,500 | 63,337 |
| Mr. Hany Aziz Girgis | Independent board member | ---- | 250 | 6,750 | 7,000 |
| Ms. Heba Abd El Wahed | Representing NIB | ---- | 1,000 | 19,000 | 20,000 |
| Mr. Hazem Mahmoud Mohamed | Representing NIB | ---- | 1,500 | 28,500 | 30,000 |
| Mr. Ahmed El Sayed Khalil | Representing NIB | ---- | ---- | 16,250 | 16,250 |
| Mr. Ahmed Abd El Nabi | Representing NIB | ---- | 500 | 16,250 | 16,750 |
| National Investment Bank | NIB | 300,000 | 12,000 | ---- | 312,000 |
| **Total** | | **3,468,011** | **45,750** | **1,074,250** | **4,588,011** |

## 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.

# 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, 2022, and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year ended December 31, 2022, 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, 2022, 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*

Alexandria on February 27, 2023

# The separate financial statements

## Separate statement of financial position

as of December 31, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | (12) | 64 255 852 | 42 089 855 |
| Right of use assets | (29-1) | 5 776 992 | 4 519 321 |
| Intangible Assets | (13) | 142 430 | 238 514 |
| Projects under construction | (14) | 6 709 207 | 42 746 656 |
| Investments in subsidiaries | (15) | 73 801 612 | 75 051 750 |
| Investments in associates | (16) | 600 000 | 600 000 |
| **Total Non-Current Assets** | | **151 286 093** | **165 246 096** |
| **Current assets** | | | |
| Inventory | (17) | 9 143 245 | 4 600 066 |
| Trade and notes receivable | (18) | 78 227 736 | 64 641 059 |
| Debtors and other debit balances | (19) | 51 404 919 | 44 694 403 |
| Due from related parties | (30-1) | 23 138 632 | 574 223 |
| Financial investments through profit or loss | (20) | 19 672 111 | -- |
| Cash on hand and in banks | (21) | 59 872 689 | 36 294 102 |
| **Total Current Assets** | | **241 459 332** | **152 224 777** |
| **Total Assets** | | **392 745 425** | **317 470 873** |
| **Shareholder's equity and liabilities** | | | |
| **Shareholder's equity** | | | |
| Issued and paid-up Capital | (22-2) | 156 062 500 | 156 062 500 |
| Reserves | (23) | 20 177 545 | 16 454 353 |
| Retained earnings | | 70 197 853 | 27 002 196 |
| **Total shareholder's equity** | | **246 437 898** | **199 519 049** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease contracts liabilities | (29-2),(28) | 5 711 354 | 3 078 167 |
| Financial lease contracts liabilities and others | (27-1) | 44 796 521 | 23 250 025 |
| Deferred tax liabilities | (31-1-a) | 5 017 685 | 1 226 317 |
| **Total non-current liabilities** | | **55 525 560** | **27 554 509** |
| **Current liabilities** | | | |
| Lease contracts liabilities | (29-2),(28) | 772 149 | 2 036 294 |
| Trade and notes payables | (25) | 32 795 951 | 22 142 126 |
| Due to related parties | (30-2) | 4 049 843 | 37 301 400 |
| Creditors and other credit balances | (26) | 38 774 343 | 26 171 948 |
| Dividends payables | | 271 879 | 347 362 |
| Provisions | (24) | 14 117 802 | 2 398 185 |
| **Total current liabilities** | | **90 781 967** | **90 397 315** |
| **Total Liabilities and Shareholders' Equity** | | **392 745 425** | **317 470 873** |

- The notes and accounting policies attached to pages (8) to (59) are an integral part of these separate financial statements.
- Auditor's Report – attached

| Financial manager | Chairman and managing director |
|---|---|
| **Ahmed Sakr** | **Abir Wa'el Seddik Leheta** |

## Separate Profit or loss statement

for the Financial Year Ended December 31, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Operating Revenues | (3) | 373 809 445 | 264 400 057 |
| Operating Cost | (4) | (307 953 927) | (216 864 585) |
| **Gross profit** | | **65 855 518** | **47 535 472** |
| Other income | (5) | 12 495 851 | 7 644 379 |
| General and Administrative expenses | (6) | (54 380 736) | (43 234 423) |
| Selling and distribution expenses | (7) | (2 694 903) | (2 006 672) |
| Excepted credit loss | (8) | (566 733) | (997 077) |
| Other Expenses | (9) | (18 698 089) | (8 692 369) |
| **Profit resulted from Operating Activities** | | **2 010 908** | **249 310** |
| **Investments income in subsidiaries and Associates** | **(10)** | **18 898 023** | **21 273 233** |
| Finance income | | 33 174 640 | 1 460 781 |
| Finance costs | | (6 104 318) | (1 886 208) |
| **Net finance income /(cost)** | **(11)** | **27 070 322** | **(425 427)** |
| **Net Profit before tax** | | **47 979 253** | **21 097 116** |
| Income tax expenses | (31-1) | (7 565 877) | (2 559 144) |
| **Net profit for the year** | | **40 413 376** | **18 537 972** |
| **Basic and diluted earning per share (LE/Share)** | **(38)** | **0.24** | **0.12** |

• The notes and accounting policies attached to pages (8) to (59) are an integral part of these separate financial statements.

## Separate comprehensive income statement

for the Financial Year Ended December 31, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Net profit for the year** | | 373 809 445 | 264 400 057 |
| **Other Comprehensive Income Items:** | | | |
| Foreign entities translation difference (Free Zone) | (39-1) | 2 796 293 | (72 307) |
| **Total Comprehensive Income For The Year** | | **43 209 669** | **18 465 665** |

• The notes and accounting policies attached to pages (8) to (59) are an integral part of these separate financial statements.

## Separate statement of changes in equity

for the Financial Year Ended December 31, 2022
(I/S Figures In EGP)

| | | | | Reserves | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note No. | Issued and Paid up Capital | Treasury shares | Legal Reserve | Capital Reserves | Translation difference Reserves | Retained Earnings | Total |
| **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 | | -- | -- | -- | -- | -- | (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) | | -- | -- | -- | -- | (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** |
| **Balance as of January 1,2022** | | **156 062 500** | **--** | **15 153 592** | **4 000 000** | **(2 699 239)** | **27 002 196** | **199 519 049** |
| **Transactions with company's shareholders** | | | | | | | | |
| Transferred to legal reserve | | -- | -- | 926 899 | -- | -- | (926 899) | -- |
| Purchase of treasury shares | (22-3) | -- | (8 159 397) | -- | -- | -- | -- | (8 159 397) |
| Sale of treasury shares | (22-3) | -- | 8 159 397 | -- | -- | -- | 3 709 180 | 11 868 577 |
| **Total transactions with company's shareholders** | | **--** | **--** | **926 899** | **--** | **--** | **3 782 281** | **3 709 180** |
| **Comprehensive income** | | | | | | | | |
| Net profit for the year ended December 31, 2022 | | -- | -- | -- | -- | -- | 40 413 376 | 40 413 376 |
| Foreign entities translation Difference (Free Zone) | | -- | -- | -- | -- | 2 796 293 | -- | 2 796 293 |
| **Total comprehensive income** | | **--** | **--** | **--** | **--** | **2 796 293** | **40 413 376** | **43 209 669** |
| **Balance as of December 31, 2022** | | **156 062 500** | **--** | **16 080 491** | **4 000 000** | **97 054** | **70 197 853** | **246 437 898** |

• The notes and accounting policies attached to pages (8) to (59) are an integral part of these separate financial statements.

## Separate statement of cash flow

for the Financial Year Ended December 31, 2022

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Net Profit for the year before tax** | | **47 979 253** | **21 097 116** |
| **Reconciled as follows:** | | | |
| Property, plant and equipment depreciation | (12) | 7 208 826 | 3 747 525 |
| Intangible assets amortization | (13) | 96 084 | 699 379 |
| Right of use assets amortization | (29-1) | 2 610 008 | 3 055 422 |
| Interest income | (11) | (1 662 130) | (1 460 781) |
| Lease contract interest expense | (11) | 6 018 923 | 1 535 342 |
| Foreign currencies exchange differences | | -- | 350 866 |
| Investment income from subsidiaries and Associates | (10) | (18 898 023) | (21 273 233) |
| Capital gain | (5) | (2 421 083) | (700 526) |
| Impairment loss from subsidiaries | (9) | 2 172 000 | -- |
| Excepted credit loss from trade, debtors and time deposits at bank | (8) | 776 314 | 997 077 |
| Expected credit loss reverse from trade and debtors | (8) | (209 581) | -- |
| | | **43 670 591** | **8 048 187** |
| Change in inventory | (17) | (4 543 179) | (590 705) |
| Change in trade and notes receivable | (18) | (13 239 358) | (2 101 994) |
| Change in debtors, other debit balances and due from related parties | (19),(30-1) | (21 290 635) | (6 978 238) |
| Change in creditors, other payables and due to related parties | (26),(30-2) | (10 070 818) | (11 741 586) |
| Change in provisions | (24),(9) | 11 719 617 | 1 852 929 |
| **Cash flow generated from/ (used in) operating activities** | | **6 246 218** | **(11 511 407)** |
| Employee Dividends and Board of Directors' bonuses | (38) | -- | (4 238 340) |
| Lease contract interest expense | (11) | (6 018 923) | (1 535 342) |
| **Net cash flow provided from/ (used in) operating activities** | | **227 295** | **(17 285 089)** |
| **Cash flows from Investing Activities** | | | |
| Cash Payments to acquire property, plant and equipment and projects under construction | (12),(14) | (6 088 088) | (17 766 819) |
| Proceeds from sale of Property, plant and equipment | (5),(12) | 15 376 222 | 705 002 |
| Interest received | (11) | 1 253 562 | 1 551 657 |
| Proceeds from investments in subsidiaries and associates | (10),(15),(16) | 17 008 221 | 19 147 342 |
| Payments for investments in subsidiaries acquisition | (15) | (921 862) | -- |
| Payments for financial investments acquisition through profit or loss | (20) | (19 672 111) | -- |
| **Net cash flow provided from Investing Activities** | | **6 955 944** | **3 637 182** |
| **Cash flows from Financing Activities** | | | |
| Cash dividends paid to shareholders | (38) | -- | (23 409 375) |
| Payments for lease contracts liabilities | (28),(29) | (2 428 538) | (3 406 809) |
| Change in pledged time deposits against letters of guarantee | (21) | (436 759) | (2 668 776) |
| Change in financial lease contracts liabilities and others | (27-1) | 12 277 502 | -- |
| Proceeds from treasury shares acquisition | (22-3) | (8 159 397) | -- |
| Collections from sale of treasury shares | (22-3) | 11 868 577 | -- |
| **Net Cash Flow provided from/(used in) Financing Activities** | | **13 121 385** | **(29 484 960)** |
| **Net change in cash and cash equivalent during the year** | | **20 304 624** | **(43 132 867)** |
| Translation differences from cash and free zone | (39-1) | 2 845 568 | (72 522) |
| Cash and cash equivalent at the beginning of the year | (21) | 31 455 520 | 74 660 909 |
| **Cash and cash equivalent at the end of the year** | **(21)** | **54 605 712** | **31 455 520** |

• The notes and accounting policies attached to pages (8) to (59) are an integral part of these separate financial statements.

# Notes to the separate financial statements

## 1. Background and activities

### 1-1 Legal Entity

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.

### 1-2 Company's Purpose

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 Mr./ Mohamed Gamal Moharam and 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, 2022 were approved from the Board of Directors dated 27 February 2023.

## 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 (39).

### 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.
2. Recognition of deferred tax assets and liabilities.
3. Impairment in the value of financial investment in Subsidiaries and Associates.
4. Impairment on Trade receivables, debtors and due from related parties.
5. Provisions.
6. Classification of lease contracts.
7. Recognition of revenue the revenue is recognized according to the detailed implemented accounting policies.

### i) Judgements

The information related to the judgements performed to apply the accounting policies which have a significant impact on the value presented in the financial statements included in the following notes:

- Note no (39-15) Revenue Recognition: the revenue is recognized according to the detailed accounting policies applied
- Note no (39-17) Lease Contracts

### ii) Assumptions and estimation uncertainties

The information about assumptions and uncertainties estimation at the reporting date as of December 31, 2022, that may result in a material adjustment to the carrying amounts of the assets and liabilities within the next financial year is included in the following notes:

- Note no (39-15) revenue recognition
- Note no (39-13) recognition and measurement of provisions and contingent liabilities: Key assumptions about the likelihood and magnitude of an outflow of resources
- Note no (39-10) ECL measurement for financial assets
- Note no (39-2) Property, plant and equipment estimated useful life
- Note no (39-16-iii) Deferred tax assets recognition
- Note no (39-10) Impairment in financial investments in subsidiaries and associates.

### Impairment of non-financial assets

The Company evaluates the asset at the date of the financial reporting, if there is an indication that the asset value has decreased. If any indication is found, the Company evaluates the net realizable value of the asset, the realizable value of the asset is the asset fair value less cost of sale or its value is use which is higher. When evaluating the used value, the estimated future cash flows of the asset are discounted to its present value using a discount rate reflects current market valuation of the time value of money and the risks specific to the asset. When determining the fair value deducted by the costs of sale, recent market transactions are considered.

If the realizable value of the asset is estimated to be less than its carrying amount, the asset carrying amount is reduced to its collectable amount, the impairment loss is recognized directly in the statement of profit or loss.

If the impairment loss is subsequently reversed, the asset carrying amount is increased to the adjusted value of the collectable amount, but only to the extent the carrying amount do not exceed the carrying amount that could have been determined in the absence of an impairment loss of the carrying amount of the asset in previous years, The reversed impairment loss is recognized directly in the separate statement of profit or loss.

### Provisions

Provisions are recognized when the Company has legal or constructive obligation from past event, and settlement of obligations is probable, and its value can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation, when the provision is measured using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows.

In case of expectation of recovery of some or all economic benefits required to settle any of the provisions from third party, the amount due is recognized as an asset if it is certain to be recovered and can be measured in a reliable manner.

### Useful life of property, plant and equipment and intangible assets

The Company's management determines the estimated useful life of the property, plant and equipment for the purpose of calculating depreciation, which is calculated after consideration of the expected use of the asset or actual useful life. The department regularly reviews estimated remaining life at least annually and the method of depreciation to ensure that the method and depreciation amount are agreed with the expected pattern of economic benefits of assets.

### Lease contracts – estimation of the incremental borrowing rate

The Company cannot easily determine the implied interest rate in the lease contract, and therefore uses the incremental borrowing rate to measure the lease obligations. The incremental borrowing rate is the interest rate that the Company must pay to assume the necessary financing over a similar period and with a similar guarantee to obtain an asset with the same value as the "right of use" in a similar economic environment. Therefore, the incremental borrowing rate reflects what the Company "must pay", which requires an estimation when there are no declared rates or when it needs to be modified to reflect the terms and conditions of the lease contract.

## 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.

Upon the application of the requirements of EAS (49),

## 3. Operating revenue

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Agency, Shipping and Discharge | | 23 929 343 | 21 860 821 |
| Logistics revenue | | 105 734 294 | 59 889 885 |
| Land transportation | | 86 473 151 | 85 060 136 |
| Additional services | | 8 331 937 | 7 160 642 |
| Storage | | 21 231 172 | 12 861 450 |
| Free zone | | 121 403 241 | 68 146 761 |
| Other revenues | | 6 706 307 | 9 420 362 |
| | | **373 809 445** | **264 400 057** |

## 4. Operating cost

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Agency, Shipping and Discharge | | 17 522 706 | 16 701 373 |
| Logistics cost | | 93 279 387 | 51 163 974 |
| Land transportation | | 75 902 409 | 71 950 385 |
| Additional services | | 4 970 708 | 5 238 374 |
| Storage | | 12 012 126 | 9 838 736 |
| Free zone | | 102 907 423 | 54 715 808 |
| Other costs | | 1 359 168 | 7 255 935 |
| | | **307 953 927** | **216 864 585** |

## 5. Other income

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Technical support Revenues | (30) | 5 617 454 | 6 256 000 |
| Other revenues | | 114 874 | 540 782 |
| Reconcile due from Aladabia yard | | 4 342 440 | -- |
| Capital Gains | | 2 421 083 | 700 526 |
| Provisions no longer required | | -- | 147 071 |
| | | **12 495 851** | **7 644 379** |

## 6. Other expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Wages and salaries | | 31 888 562 | 25 301 323 |
| Board of Directors bonuses and allowances | | 4 588 011 | 3 495 667 |
| Depreciation of property, plant and equipment and amortization of right of use assets | | 4 664 081 | 5 068 242 |
| Travel and transportation | | 2 740 020 | 2 111 812 |
| Fees and subscriptions | | 672 093 | 413 727 |
| Telephone and fax | | 175 718 | 127 393 |
| Hospitality, reception and cleaning | | 490 933 | 512 798 |
| Professional fees | | 2 026 120 | 1 378 885 |
| Repair and maintenance | | 862 377 | 539 541 |
| Insurance | | 207 144 | 158 446 |
| Utilities | | 163 356 | 306 997 |
| Bank charges | | 411 130 | 348 622 |
| Computer expenses | | 1 001 447 | 920 470 |
| Public relations and investors | | 1 539 039 | 1 270 958 |
| Rentals | | 448 099 | 144 259 |
| Stationery and printers | | 216 303 | 181 274 |
| Training expenses | | 246 743 | 67 440 |
| Vehicles expenses | | 420 128 | 271 627 |
| Fines and compensations | | 683 100 | -- |
| Others | | 936 332 | 614 942 |
| | | **54 380 736** | **43 234 423** |

## 7. Selling and distribution expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Selling and marketing services | | 2 694 903 | 2 006 672 |
| | | **2 694 903** | **2 006 672** |

## 8. Expected credit losses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Excepted credit losses in trade and debtors | | 767 949 | 696 816 |
| Excepted credit loss reverse in trade and debtors | | (209 581) | -- |
| Expected credit loss in due from related parties | | -- | 311 522 |
| Expected credit losses in time deposits | | 8 365 | (11 261) |
| | | **566 733** | **997 077** |

## 9. Other expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Formed provision | | 13 777 732 | 2 000 000 |
| Symbiotic comprehensive health insurance | | 981 207 | 737 109 |
| Impairment losses in investments in subsidiaries (Egyptian transport and logistics company)" Etal" | | 2 172 000 | -- |
| Others | | 1 767 150 | 5 955 260 |
| | | **18 698 089** | **8 692 369** |

## 10. Investments income in subsidiaries and associates

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Investment income from Associates** | | | |
| Barwill Egytrans shipping Agencies Company | (39-5), (16) | 6 967 122 | 2 853 813 |
| **Total Investment income from Associates** | | **6 967 122** | **2 853 813** |
| **Investment income from subsidiaries** | | | |
| Egyptian Transport and Logistics Company (ETAL) | (39-5), (15) | -- | 7 217 364 |
| Egytrans Depot solutions Company | (39-5), (15) | 11 930 901 | 11 202 056 |
| **Total investment income from Subsidiaries** | | **11 930 901** | **18 419 420** |
| **Total income resulting from financial investments in Subsidiaries and Associates** | | **18 898 023** | **21 273 233** |

## 11. Finance income /(expenses)

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Interest revenues | (38-14-ii) | 373 809 445 | 264 400 057 |
| Foreign currencies translation difference | (39-1) | 31 512 510 | -- |
| Total finance income generated from financial assets | | 33 174 640 | 1 460 781 |
| **Deduct:** | | | |
| Foreign currencies translation difference | (39-1) | -- | (350 866) |
| Lease contracts installments interest | (27),(29) | (6 018 923) | (1 535 342) |
| Change in fair value of financial assets through profit or loss | (20) | (85 395) | -- |
| Interest revenues | (38-14-ii) | 1 460 781 | 3 194 807 |
| **Total finance expenses** | | **(6 104 318)** | **(1 886 208)** |
| **Net finance income / (expense)** | | **27 070 322** | **(425 427)** |

## 12. Property, plant and equipment

(I/S Figures In EGP)

| | Note No. | Land* | Building | Vehicles | Computers | Tools and Equipment | Installations | Furniture and Fixtures | Financial leased assets ** | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost as of January 1st , 2022** | | **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** |
| Additions during the year | | -- | -- | 4 005 450 | 934 221 | 1 231 191 | 501 455 | 361 367 | 22 084 593 | 29 118 277 |
| Disposals during the year | | -- | -- | (70 216) | (308 150) | (4 194) | -- | (245 689) | -- | (628 249) |
| Difference of foreign currency exchange | (39-1) | -- | 15 184 763 | -- | 57 366 | 315 777 | 125 245 | 962 029 | -- | 16 645 180 |
| **Cost as of December 31, 2022** | | **19 722 950** | **56 037 927** | **12 410 569** | **4 695 035** | **8 479 012** | **5 134 076** | **6 556 402** | **25 751 819** | **138 787 790** |
| **Accumulated Depreciation As of January 1st, 2022** | | **--** | **30 236 681** | **4 207 169** | **3 172 573** | **6 134 303** | **1 262 186** | **3 683 425** | **2 866 390** | **51 562 727** |
| Depreciation during the year | | -- | 628 910 | 1 623 832 | 385 676 | 263 952 | 376 609 | 274 673 | 3 655 174 | 7 208 826 |
| Disposals accumulated depreciation | | -- | -- | (70 215) | (297 313) | (4 193) | -- | (238 550) | -- | (610 271) |
| Difference of foreign currency exchange | (39-1) | -- | 15 184 760 | -- | 41 496 | 103 492 | 125 243 | 915 665 | -- | 16 370 656 |
| **Accumulated Depreciation As of December 31, 2022** | | **--** | **46 050 351** | **5 760 786** | **3 302 432** | **6 497 554** | **1 764 038** | **4 635 213** | **6 521 564** | **74 531 938** |
| **Net property, plant and equipment as of December 31, 2022** | | **19 722 950** | **9 987 576** | **6 649 783** | **1 392 603** | **1 981 458** | **3 370 038** | **1 921 189** | **19 230 255** | **64 255 852** |
| **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** |
| **Fully Depreciated Assets and still in use as of December 31, 2022** | | **--** | **41 443 496** | **755 465** | **2 713 722** | **5 892 528** | **1 373 745** | **3 625 860** | **3 049 383** | **58 854 199** |
| **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 | (39-1) | -- | (50 336) | -- | (152) | (673) | (415) | (3 104) | -- | (54 680) |
| **Total 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 | (39-1) | -- | (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** |

* 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 .

** On February 23 , 2022 , the company enters into a contract of sale and lease back with Cairo company for financial lease regarding the administrative unit at building no.3 at the commercial market "Down town" , located at street 90 south – first district – 5th settlement and which is owned by the company and the lease back amounted 41 191 417 L.E , an advance payment will be paid amounted 3 246 217 L.E and the remaining amount of the rent which amounted 37 945 200 L.E Note no.(27) will be paid on 20 installments quarterly amounted 1 897 260 L.E including the interest. The company has delivered the noted payables with the instalments amounts to Cairo company for financial lease – this contract includes a solidarity from Egyptian for Depot Solution company and Egyptian Transport and Logistics company (Etal) "Subsidiaries".

***** Financial leased Assets represent:**
Rent of "5" head tractors Mercedes and "2" semi-trailer from Corplease company for financial lease in addition to "2" photocopiers Xerox from Incolease company for financial lease and a Subaru car, "15" trucks, "15"ntractors and "3" semi – trailer from Hermes group for financial solutions 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 |
| "15" Truck | 8 119 920 | 1 952 220 | 57 | 1 | 405 996 per quarter |
| "15" tractors | 11 311 580 | 2 719 580 | 57 | 1 | 565 579 per quarter |
| "3" semi-trailer | 1 922 800 | 462 286 | 57 | 1 | 96 140 per quarter |

## 13. Intangible assets

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| 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 | 685 258 |
| | **5 860 383** | **5 860 383** |
| **Deduct:** | | |
| Accumulated Amortization at the Beginning of the year | (5 621 869) | (4 922 490) |
| Amortization during the year | (96 084) | (699 379) |
| **Accumulated Amortization at the end of the year** | **(5 717 953)** | **(5 621 869)** |
| **Net intangible Assets** | **142 430** | **238 514** |

## 14. Projects under construction

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| New Administrative Building at Alexandria * | -- | 3 171 125 |
| Installations -branches of the company | -- | -- |
| Vehicles and transportations** | -- | -- |
| Programs and licenses** | 6 709 207 | -- |
| | **6 709 207** | **3 171 125** |

* The Company has sold the new administrative building in Alexandria, according to the approval of the Extraordinary General Assembly dated August 17, 2022.

** The vehicles account in the comparative figures is represented in purchasing "3" Chevrolet cars, "15" tractors and "15" trucks that were transferred to the Property, Plant and Equipment during the year in the financial leased assets.

*** The Programs and licenses item represents the value of buying and installing, the Odoo system in the company

## 15. Investments in subsidiaries

(I/S Figures In EGP)

| | Percentage Paid from investment | Percentage of contribution | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Egyptian Transport and Logistics Company (ETAL) (S.A.E) | 100% | 99.99% | 63 172 000 | 63 172 000 |
| Egytrans Depot Solutions Company (equivalent to $ 1 999 790) (S.A.E) | 100% | 99.99% | 11 879 750 | 11 879 750 |
| Egytrans for cars solutions (S.A.E) (Equivalent to $ 50 000) (Didn't start operating) * | 25% | | 921 862 | -- |
| Egytrans River Ports Company (S.A.E) ** | 100% | 99.99% | 249 970 | 249 970 |
| Egytrans Bargelink Company (S.A.E) ** | 100% | 99.99% | 249 970 | 249 970 |
| | | | **76 473 552** | **75 551 690** |
| **Deduct:** | | | | |
| Impairment loss in the value of investments | | | (2 671 940) | (499 940) |
| | | | **73 801 612** | **75 051 750** |

* Egytrans for cars solutions company (S.A.E) was established at April 20, 2022 and the company hasn't started operating till now.

** The liquidation related to these companies was authenticated in the commercial register and the commercial register for Egytrans River Ports company and Egytrans Bargelink Company were eliminated dated October 10,2022.

### Brief information about subsidiaries are as follows:

| Subsidiary company | Egyptian transport and logistics company (etal) | Egytrans depot solutions company |
|---|---|---|
| | LE | US Dollar |
| | December 31, 2022 | December 31, 2022 |
| **Statement of financial position** | | |
| **Assets** | | |
| Non-current Assets | 75 131 740 | 1 656 066 |
| Current Assets | 11 106 352 | 1 500 813 |
| **Total Assets** | **86 238 092** | **3 156 879** |
| **Liabilities and shareholder's equity** | | |
| **Shareholder's equity** | | |
| Paid up Capital | 61 000 000 | 2 000 000 |
| Legal reserve | 2 206 356 | 151 754 |
| Retained (losses) | (304 833) | -- |
| Net (loss) / profit for the year ended December 31, 2022 | 60 816 | 166 839 |
| **Total Shareholder's equity** | **62 962 339** | **2 318 593** |
| **Non-Current liabilities** | **11 165 884** | **429 176** |
| **Current liabilities** | **12 109 869** | **409 110** |
| **Total liabilities and Shareholder's equity** | **86 238 092** | **3 156 879** |

### Profit or loss statement:

| Subsidiary company | Egyptian transport and logistics company (etal) | Egytrans depot solutions company |
|---|---|---|
| | LE | US Dollar |
| | December 31, 2022 | December 31, 2022 |
| Revenues | 21 922 345 | 1 171 598 |
| Operating cost | (16 165 189) | (315 219) |
| **Gross profit** | **5 757 156** | **856 379** |
| **(Deduct) / Add:** | | |
| General and administrative expenses | (5 291 390) | (336 285) |
| Other expenses | (389 025) | (28 096) |
| Other revenues | 230 205 | 54 |
| Net finance (expense) | (26 551) | (256 784) |
| **Net profit before tax** | **280 395** | **235 268** |
| Income and deferred tax | (219 579) | (68 429) |
| **Net profit** | **60 816** | **166 839** |

## 16. Investments in associates

(I/S Figures In EGP)

| | Percentage Paid from investment | Percentage of contribution | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Damietta Feeder Terminal Company (DFTC) (S.A.E) * | 100% | 20% | 885 000 | 885 000 |
| Wilhelmsen Ships Services Company (S.A.E) ** | 100% | 30% | 600 000 | 600 000 |
| 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** |

* The liquidation of Damietta Feeder Terminal company (DFTC) (S.A.E) is under progress and the investment amount in the company was fully impaired.

** The name of Barwill Egytrans Shipping Agencies company (S.A.E) has changed during the year to Wilhelmsen Ships Services Company (S.A.E).

*** Scan Arabia Shipping Agencies Company (S.A.E) is still not operating till now and the investment amount in the company is fully impaired.

## 17. Inventory

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Vehicles | | 8 943 302 | 4 444 600 |
| Other | | 199 943 | 155 466 |
| | | **9 143 245** | **4 600 066** |

## 18. Trade and notes receivable

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Trade receivables | (34-2-b) | 75 579 201 | 67 920 374 |
| Notes receivable | | 6 249 820 | 669 289 |
| | | **81 829 021** | **68 589 663** |
| **(Deduct):** | | | |
| Impairment loss in the value of Trade and Notes receivable* | (34-2-b) | (3 601 285) | (2 527 680) |
| | | **78 227 736** | **66 061 983** |

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

(I/S Figures In EGP)

| | Balance as of 1/1/2022 | Formed During the year | Foreign Currencies Translation Differences During the year | Reversed During the year | Balance as of 31/12/2022 |
|---|---|---|---|---|---|
| Impairment loss in the value of Trade receivables | 2 527 680 | 767 949 | 323 802 | (18 146) | 3 601 285 |
| | **2 527 680** | **767 949** | **323 802** | **(18 146)** | **3 601 285** |

## 19. Debtors and other debit balances

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Advance to suppliers | | 1 899 449 | 1 633 364 |
| Accrued Revenue | | 4 746 374 | 5 364 370 |
| Deposits held with others | | 1 110 693 | 927 019 |
| Letter of guarantee Covers | (32) | 8 965 488 | 8 486 243 |
| Official receipts debtors | | 8 164 501 | 13 800 344 |
| Tax Authority * | | 13 232 886 | 12 708 810 |
| Prepaid Expenses | | 2 333 099 | 1 483 640 |
| Al Rawad High Services Company Debtors | | 1 624 210 | -- |
| Operation under progress – Freezone | | 1 372 036 | -- |
| Sale of assets debtors (Empire for Real-estate Investment Company) | | 7 498 920 | -- |
| Other Debtors** | | 457 263 | 290 613 |
| | | **51 404 919** | **44 694 403** |

* This balance includes an amount of LE 11.2 million which represent the remaining from the advance payments paid for income tax after deducting the income tax due for the year amounted LE 1.8 million where the company has registered in the advance payment system according to the approval issued from large tax payers center.

** The balance of debtors and other debit balances was decreased by an amount of LE 103 091 which represents the expected credit losses (compared to an amount of LE 294 525 on December 31, 2021)

## 20. Financial Investments with fair value through profit or loss

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Investments Funds Azimut * | (34-3) | 19 762 111 | -- |
| | | **19 762 111** | **--** |

* The investment funds represent a common share for the fund owner in the assets value at each issuance, and on 31 December 2022, the investment fair value is determined based on the buying prices prevailing in the active market for similar financial instruments so, the measurement of the fair value at level one is based on a hierarchal base for the fair value as detailed in the EAS no.45 – Fair Value Measurement.

* The number of investment funds on 31 December 2022 amounted 78 025 funds and the fair value of the fund on 31 December 2022 amounted an amount equivalent to LE 19.6 million.

### The movement during the year as follows:

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance at the beginning of the year | | -- | -- |
| Investment acquisition during the year | | 19 757 506 | -- |
| Revaluation effect | (11) | (85 395) | -- |
| | | **19 672 111** | **--** |

## 21. Cash on hand and in banks

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Bank Current Accounts | | 39 486 018 | 30 615 051 |
| Time deposits * | | 18 999 453 | 4 898 294 |
| Cash on hand | | 1 455 294 | 840 469 |
| | | **59 940 765** | **36 353 814** |
| **(Deduct):** | | | |
| Pledged Time deposits against Letter of Guarantee* | (32) | (5 335 053) | (4 898 294) |
| **Cash and Cash equivalent for the purpose of separate statement of cash flow** | | **54 605 712** | **31 455 520** |
| **(Deduct):** | | | |
| Impairment loss in bank deposits balances | | (68 076) | (59 712) |
| **Cash and cash equivalent** | | **54 537 636** | **31 395 808** |

* Time deposits in local currency in the amount of LE 5 335 053 representing time deposits at bank Abu Dhabi, Commercial International Bank Egypt and (QNB) against letters of guarantee issued by the company.

## 22. Capital share

### 22-1 Authorized capital

The authorized capital amounting LE 750 million and this after reducing the authorized capital from LE 1 billion to be LE 750 Million according to the Extraordinary General Assembly held on December 16,2021and the authorized capital has been authenticated in the Commercial register.

### 22-2 Issued and paid up capital

Issued and paid-up capital amounted to LE 156 062 500 represented in 156 062 500 shares and this is after increasing the shares from 31 212 500 shares according to the decree of splitting of the Nominal value per share to become with a value of LE 1 instead of LE 5, based on the decree of the Financial Regulatory Authority and according to the Board of directors meeting held on November 21,2021 which 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 and the registration committee had decided to approve on the share splitting starting from April 27,2022.

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.

### The company's capital structure is as follows as of December 31, 2022:

(I/S Figures In EGP)

| Share holder's | Nationality | No. of shares | Contribution Percentage | Par value of shares |
|---|---|---|---|---|
| National 1nvestment Bank | Egyptian | 39 410 150 | 25.25% | 39 410 150 |
| Ms. Abir Wael Sedeek Leheta | Egyptian | 7 454 380 | 4.78% | 7 454 380 |
| Ms. Heba Wael Sedeek Leheta | Egyptian | 6 625 920 | 4.25% | 6 625 920 |
| Ms. Amani Wael Sedeek Leheta | Egyptian | 5 380 440 | 3.45% | 5 380 440 |
| Mr. Mohamed Ashraf Saad Eldin | Egyptian | 2 654 070 | 1.70% | 2 654 070 |
| Mr. Ahmed Elsayed Atris | Egyptian | 5 300 000 | 3.39% | 5 300 000 |
| Mr. Gamal Abl Elqader Abd Elbaseer | Egyptian | 4 966 935 | 3.18% | 4 966 935 |
| Mr. Mohamed Mostafa abdelmoneim Korashy | Egyptian | 3 132 500 | 2% | 3 132 500 |
| The Egyptian Company For Iron and Steel | Egyptian | 3 000 000 | 1.92% | 3 000 000 |
| Other shareholders | -- | 78 138 105 | 50.08% | 78 138 105 |
| | | **156 062 500** | **100%** | **156 062 500** |

### 22-3 Treasury shares

The company has bought a number of 4 987 885 shares during the year (after share split , the share value becomes 1 LE instead of 5 LE) of the company's shares with an average price of 1.635 LE per share which were bought till August 2 , 2022 and represents a percentage of 3.19 % of the company's capital based on the company's board of directors decree dated February 24, 2022 related to the purchase of treasury shares to support the share market price which doesn't exceed a 10% from the total of the company's shared capital issued , to be executed on 6 months and according to the company's board of directors decrees for the meetings held on August 23, 2022 ,and on November 13, 2022 the company sold the treasury shares dated August 24,2022 and November 16,2022 at an average price of 2.38 LE per share with a total amount of LE 11.8 million realizing a sale surplus amounted LE 3.7 million included in shareholder equity in the retained earnings item

## 23. Reserves

### 23-1 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 926 899 from the net profit for the financial year ended December 31, 2021, according to the company's Ordinary General Assembly decree dated March 30, 2022, to reach an amount of LE 16 080 491 at December 31, 2022.

### 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 previously was formed based on the approval of the General Assembly during the previous years, which amounted to LE 4 000 000 at December 31, 2022.

### 23-3 Reserve translation differences

The reserve translation differences consist of an amount of LE 97 054 which represent the foreign currency differences resulted from the translation of the financial statement for the free zone branch. .

## 24. Provisions

(I/S Figures In EGP)

| | balance as of 1/1/2022 | Formed during the year | Used during the year | Balance as of 31/12/2022 |
|---|---|---|---|---|
| Provision for claims | 2 398 185 | 13 777 732 | (2 058 115) | 14 117 802 |
| | **2 398 185** | **13 777 732** | **(2 058 115)** | **14 117 802** |

The provision for claims represents 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.

## 25. Trade and notes payables

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Suppliers | | 18 173 313 | 16 151 864 |
| Notes payables | (27-2) | 14 622 638 | 5 990 262 |
| | | **32 795 951** | **22 142 126** |

## 26. Creditors and other credit balances

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Agents- credit balances | | 4 069 627 | 551 641 |
| Customers- advance payments | | 9 420 924 | 11 522 490 |
| Accrued expenses | | 5 639 664 | 6 460 383 |
| Accrued expenses – free zone | | 2 794 625 | 17 525 |
| Employees vacancies | | 2 023 400 | -- |
| Deposits from others | | 2 356 710 | 1 039 373 |
| Deposits from others – free zone | | 5 099 537 | 738 211 |
| Accrued salaries | | 2 678 250 | 1 461 957 |
| General Authority for social insurance | | 442 348 | 361 366 |
| Tax authority | | 2 297 988 | 1 159 304 |
| Symbiotic contribution to the comprehensive health insurance system | | 1 076 815 | 730 808 |
| Payables- others | | 874 455 | 2 128 890 |
| | | **38 774 343** | **26 171 948** |

## 27. Long term lease contracts

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Long-term financial lease liabilities and others | | 50 915 734 | 26 272 766 |
| **Deduct:** | | | |
| Deferred interest expense | | (6 119 213) | (3 022 741) |
| | | **44 796 521** | **23 250 025** |

### 27-1 Short-term financial Lease liabilities and others

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Long-term financial lease liabilities and others | | 50 915 734 | 26 272 766 |
| **Deduct:** | | | |
| Deferred interest expense | | (6 119 213) | (3 022 741) |
| | | **44 796 521** | **23 250 025** |

### 27-2 Short-term financial Lease liabilities and others

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Short-term financial lease liabilities and others | | 18 849 339 | 7 719 050 |
| **Deduct:** | | | |
| Deferred interest expense | | (4 226 701) | (1 728 788) |
| | (25) | **14 622 638** | **5 990 262** |

## 28. Lease contracts liabilities

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance at the beginning of the year | (12) | 206 466 | 946 527 |
| **Add:** | | | |
| Finance interest | | 114 422 | 308 511 |
| **Deduct:** | | | |
| Paid during the year | | (320 888) | (1 048 572) |
| | | **--** | **206 466** |
| **Deduct:** | | | |
| Installment due within one year | | -- | (206 466) |
| **Long term lease contracts balance at the end of the year** | | **--** | **--** |

## 29. Assets and liabilities for right of use lease

### 29-1 Right of use of assets

Right of use represented in leasing the company's premises port said and airport:

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance as of January | | 7 574 743 | -- |
| Additions during the year | | 3 867 679 | 7 574 743 |
| **Balance** | | **11 442 422** | **7 574 743** |
| **Amortization** | | | |
| Balance as of January | | (3 055 422) | -- |
| Amortization during the year | | (2 610 008) | (3 055 422) |
| **Balance** | | **(5 665 430)** | **(3 055 422)** |
| **Net book value** | | **5 776 992** | **4 519 321** |

### 29-2 Lease contracts liabilities

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

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance at the beginning of the year | (12) | 206 466 | 946 527 |
| Balance as of January | | (3 055 422) | -- |
| **Net present value of lease liability resulted from right of use** | | **8 705 575** | **7 574 743** |
| **Add:** | | | |
| Finance interest | | 823 829 | 736 488 |
| **Deduct:** | | | |
| Payments during the year | | (3 045 901) | (3 403 236) |
| **Balance** | | **6 483 503** | **4 907 995** |
| **Deducted:** | | | |
| Current portion of lease liability | | (772 149) | (1 829 828) |
| **Non current portion of lease liability** | | **5 711 354** | **3 078 167** |

| In December 31, 2021 | During one year | From 1-2 years | From 2-5 years | Total |
|---|---|---|---|---|
| **December 31, 2022** | **772 149** | **2 138 137** | **3 573 217** | **6 483 503** |

The company has measured the lease liability by deducting the lease payments using the incremental borrowing rate, the minimum limit was deducted from future lease payments , using the effective interest rate amounted %11.25 annually for its present value which represents the company's incremental borrowing rate.

## 30. 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:

### 30-1 Due from Related Parties

(I/S Figures In EGP)

| | | Relationship | Nature of Transactions | Value of Transactions | Balance as of 31/12/2022 | Balance as of 31/12/2021 |
|---|---|---|---|---|---|---|
| Egytrans River ports company | | Subsidiary | Financial transactions | -- | 465 099 | 465 099 |
| Damietta Feeder Terminal Company | | Associate | Financial transactions | -- | 964 185 | 964 185 |
| Wilhelmsen ships services company | | Associate | Financial transactions | (574 221) | -- | 574 221 |
| Egytrans for cars solutions | (15) | Subsidiary | Land purchase | 18 316 334 | 18 316 334 | -- |
| Egytrans Depot Solutions Company | | Subsidiary | Technical support | 2 476 027 | 4 822 475 | -- |
| | | | Dividends | 16 183 037 | | |
| | | | Investment | 46 | | |
| | | | Financial transactions | 9 310 131 | | |
| Egytrans Bargelink For Transportation | | Subsidiary | Financial transactions | (176) | 83 272 | 83 448 |
| | | | | | **24 651 365** | **2 086 953** |
| **Deducted:** | | | | | | |
| Expected credit loss in the value of due from related parties (companies under liquidation) | | | | | (1 512 733) | (1 512 730) |
| | | | | | **23 138 632** | **574 223** |

### 30-2 Due to Related Parties

(I/S Figures In EGP)

| | Relationship | Nature of Transactions | Value of Transactions | Balance as of 31/12/2022 | Balance as of 31/12/2021 |
|---|---|---|---|---|---|
| Egyptian Transport and Logistics Company (ETAL) | Subsidiary | Transport invoices | 17 487 454 | 3 380 587 | 13 758 484 |
| | | Technical support | (3 392 640) | | |
| | | Financial transactions | (24 472 665) | | |
| | | Investment | (46) | | |
| Wilhelmsen ships service company* | Associate | Technical support | 535 230 | 222 506 | -- |
| | | Dividends | 6 967 123 | | |
| | | Financial transactions | -- | | |
| Egytrans Depot Solutions Company | Subsidiary | -- | -- | -- | 23 146 766 |
| Board of directors and committee members | Board of directors and committees | Attending board of directors' meetings and committees | 446 750 | 446 750 | 396 150 |
| | | | | **4 049 843** | **37 301 400** |

* The name of Barwill Egytrans shipping agencies company (S.A.E) has changed during the year to Wilhelmsen ships services (S.A.E).

### 30-3 The top management payments

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Salaries and benefits | 8 319 480 | 6 543 183 |
| Board of Directors Benefits & Allowances | 4 588 011 | 3 495 667 |
| | **12 907 491** | **10 038 850** |

## 31. Tax

### 31-1 Income Tax changes to the profit or loss statement

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Current income tax expense | 1 884 706 | -- |
| Deferred tax expenses | 3 791 368 | 433 253 |
| Dividend tax – revenue from investment in subsidiaries and associates | 1 889 803 | 2 125 891 |
| | **7 565 877** | **2 559 144** |

### A. Recognized deferred tax assets and (liabilities)

(I/S Figures In EGP)

| | 2020 | Recognized in the Profit Or Loss Statement | 2021 | | Net |
|---|---|---|---|---|---|
| | | | Assets | Liabilities | |
| Property, Plant and Equipment | 647 717 | 366 415 | -- | 1 084 062 | 1 084 062 |
| Finance leased assets | 417 75 | 838 66 | -- | 142 255 | 255 142 |
| **Deferred Tax During the Year** | **064 793** | **433 253** | **--** | **1 226 317** | **1 226 317** |

| | 2021 | Recognized in the Profit Or Loss Statement | 2022 | | Net |
|---|---|---|---|---|---|
| | | | Assets | Liabilities | |
| Property, Plant and Equipment | 062 084 1 | 359 761 | -- | 1 443 823 | 1 443 823 |
| Finance leased assets | 255 142 | (494 125) | -- | 16 761 | 761 16 |
| Unrealized Foreign currency differences | -- | 101 557 3 | -- | 3 557 101 | 101 557 3 |
| **Deferred Tax During the Year** | **317 226 1** | **3 791 368** | **--** | **5 017 685** | **5 017 685** |

### B. Unrecognized deferred tax assets

The deferred tax assets are not recognized in the following items:
(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Expected Credit loss in due to related parties | 340 364 | 340 364 |
| Expected Credit loss in trade and noted receivables and other debit balances and time deposits | 848 801 | 648 431 |
| Provisions | 3 176 505 | 539 591 |
| Impairment in the value of investment in subsidiaries and associates | 850 936 | 362 237 |
| Tax losses | -- | 1 104 431 |
| **Total** | **5 216 606** | **2 995 054** |

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.

### 31-2 Reconciliation of effective tax rate

(I/S Figures In EGP)

| | | 31/12/2022 | | 31/12/2021 |
|---|---|---|---|---|
| **Net profit before tax** | | **47 979 253** | | **21 097 116** |
| Tax rate | | 22.5% | | 22.5% |
| **Income Tax for accounting profit** | | **10 795 331** | | **4 746 851** |
| Depreciation effect | | (618 055) | | 256 080 |
| Foreign currency exchange differences | | (15 114 450) | | (330 128) |
| Reversed impairment in trade and other receivables and investments and due from related parties | | 810 967 | | 997 077 |
| Formed provisions | | 13 777 732 | | 2 000 000 |
| Provisions reversed | | -- | | (147 071) |
| Free zone net profit | | (27 795 308) | | (11 425 052) |
| Symbiotic contribution to the comprehensive health insurance | | 981 207 | | 737 109 |
| Provisions used | | (1 780 115) | | -- |
| Impairment in investments in subsidiaries and associates | | 2 172 000 | | -- |
| Other additions | | 6 861 265 | | 7 061 573 |
| Other deductions | | -- | | (3 882 056) |
| **Tax base** | | **27 274 496** | | **16 364 648** |
| **Exemptions (investments revenues)** | | **(18 898 023)** | | **(21 273 233)** |
| Net Tax Base | 22.5% | 8 376 473 | 22.5% | (4 908 585) |
| **Current income tax** | | **1 884 706** | | **--** |
| **Deferred tax** | | **3 791 369** | | **433 253** |
| **Total income tax and deferred tax** | | **5 676 075** | | **433 253** |
| **Effective tax rate** | | **11.83%** | | **2.05%** |

### 31-3 Income tax / (tax assets)/income tax

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Current income tax | 1 884 706 | -- |
| Tax authority – with holding tax | (461 427) | (203 710) |
| Advance payments-tax authority | (12 619 876) | (12 416 133) |
| Accrued interest on advance payment – tax authority | (2 176) | (88 967) |
| | **(11 198 773)** | **(12 708 810)** |

## 32. 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)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| The letters of guarantees in EGP | 23 466 663 | 23 543 663 |
| The letters of guarantees in USD | 64 117 | 64 117 |
| The letters of guarantees in Euro | 10 000 | 10 000 |

The company will be charged with all tax liabilities which could result from Egytrans River Ports Company and Egytrans Bargelink transportation liquidation Note No.(15).

## 33. 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. | 31/12/2022 |
|---|---|---|
| Right of use of assets | (29-1) | 3 797 580 |
| Lease contracts liabilities | (29-2) | 3 797 580 |
| Property, Plant and Equipment | (12) | 21 924 593 |
| Projects under progress | (14) | (21 924 593) |
| Due from related parties | (30-1) | 9 268 994 |
| Notes payables | (27-1) | 9 268 994 |

## 34. Financial Instruments Risk Management

### 34-1 Financial Instruments

This illustration provides information on the Company's financial instruments, including:

- An overview of all financial instruments held by the company
- Specific information on each type of financial instrument
- Information on determining the fair value of instruments, including uncertain judgments and estimates

The Company's main financial instruments include term deposits and financial investments in financial assets at fair value through profits or losses. The main purpose of these financial instruments is to increase financing for the company's operations. The company has many other financial instruments such as customers and suppliers that arise directly from operations

The main risks arising from the Company's operations are foreign exchange risk and credit risk.

#### Financial Assets

All financial assets owned by a company are measured at depreciated cost using the effective interest rate method and as a result book values are a reasonable approximation of fair value, except for financial investments measured at fair value.

#### Financial liabilities

All financial liabilities owned by the company are measured at depreciated cost using the effective interest rate method and as a result the book amounts are a reasonable approximation of fair value.

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Financial Assets** | | | |
| **With amortization cost** | | | |
| Banks current accounts and time deposits | (21) | 58 417 395 | 35 453 633 |
| Trade and Notes receivables and other debit balances | (18),(19) | 95 702 813 | 86 444 329 |
| Due from related parties | (30) | 23 138 632 | 574 223 |
| **With Fair Value** | | | |
| Financial investments with Fair value through profit or loss | (20) | 19 672 111 | -- |
| | | **196 930 951** | **122 472 185** |
| **Financial Assets** | | | |
| Trade and Notes payables and other credit balances | (25),(26) | 58 332 219 | 34 540 106 |
| Lease liabilities | (29) | 6 483 503 | 5 114 461 |
| Due to related parties | | 4 049 843 | 37 301 400 |
| | | **68 865 565** | **76 955 967** |

All assets and financial liabilities are classified and measured at amortized cost, and the fair value of all financial instruments does not differ materially from their book value.

For the purpose of disclosure of financial instruments, non-financial assets amounting to EGP 35 814 548 (31 December 2021: EGP 24 312 057) have been excluded from other debit balances.

## 34-2 Financial Risk Management

The Company's activities are exposed to a variety of financial risks, including changes in market risk (including foreign exchange rate risk, fair value, cash flow interest rate risk, and price risk), as well as credit risk and liquidity risk, the Company's risk management program aims to minimize the potential negative effects of these risks on the Company's financial performance. Risk management is carried out in accordance with policies approved by the Board of Directors.

This disclosure presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's capital management. Further quantitative disclosures have been included in these financial statements.

The senior management has full responsibility for developing and monitoring the general framework for the company's risk management and identifies and analyzes the risks facing the company to determine the appropriate risk levels and controls.

The Company's risk management policies are developed to identify and analyze the risks faced by the Company, establish appropriate risk limits and controls, monitor risks and adhere to limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and company activities. The company, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### A- Market Risk

### 1- Foreign currency Risk

The company is exposed to the risk of foreign currency when purchasing from suppliers abroad in foreign currency. The main currencies that lead to this risk are the US dollar, the euro, the British pound and the Swedish corona. The Company's foreign currency assets and liabilities as of 31 December 2022 amounted to the equivalent of 86 798 714 LE and 2 813 420 LE respectively. The amounts in foreign currencies that put the company at risk as of 31 December 2022 are as follows:

| | 31/12/2022 Surplus\(deficit) | 31/12/2021 Surplus\(deficit) |
|---|---|---|
| **Foreign currency** | | |
| USD | 2 955 682 | 533 738 |
| Euro | 226 284 | 225 232 |
| GBP | 64 953 | 68 910 |
| Swedish Corona | 1 388 368 | 1 104 569 |
| Chinees Yuan | (48 201) | (81 737) |
| Swiss Franc | 35 | -- |

### 2- Fair value risk and interest rate on cash flows

Interest rate risk is the risk of volatility of the value of a financial instrument due to changes in market interest rates with an impact on a company's financial position and cash flows. The company's management continuously monitors fluctuations in interest rates, and the company's financial assets and liabilities are not exposed to interest rate risks.

### 3- Price risk

The Company's exposure to commodity price risk arises from service providers. The selling price does not fluctuate significantly. To manage price risk, the company continuously studies supply and demand trends in the market to determine the best time to enter into service agreements. The company's management constantly monitors the fluctuation in prices for key services

### B- Credit Risk

The Company is exposed to credit risk as a result of the counterparty's failure to fulfill its contractual obligations when due, in respect of the following:

- Customer
- Debtors and other debit balances
- Due from related parties
- Employees' receivables
- Advance Payments
- Cash in banks and on hand

Credit risk is the risk that a company will suffer financial loss as a result of the failure of the client or counterparty of a financial instrument to fulfill its contractual obligations, arising mainly from customers. The book value of financial assets represents the maximum credit risk.

The company's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, management also takes into account factors that may affect the credit risk of its customer base, including the risk of default associated with the industry and the sector in which customers operate.

For clients, the company has established a credit policy according to which each new client is individually analyzed according to solvency before submitting the entity's standard payment and delivery terms and conditions, and includes a review of financial statements, information about the business and in some cases bank references. Each customer is assigned a credit limit and reviewed periodically.

When monitoring customer credit risk, clients are grouped according to their credit characteristics, history of dealing with the company and the presence of previous financial difficulties.

### Assessment of expected credit losses as of January 1, 2022 and December 31, 2022

The Company customizes each credit risk exposure based on a variety of data that is identified as loss risk statements based on forecasting and expertly applying credit judgment. Credit risk scores are defined using qualitative and quantitative factors that indicate the risk of loss. Exposure risk for each credit risk category is classified by sector according to industry classification and customer classification and the expected credit loss rate for each sector is calculated based on the status of late payment and actual credit loss experience.

These rates are multiplied by gradient factors to reflect the differences between economic conditions during the year in which historical data was collected, current conditions, and the company's view of economic conditions over the expected lifespan of customer balances. The company uses an impairment matrix to measure customers' expected credit losses.

The following table provides information on exposure to credit risk and credit losses from customers, debtors and other debit balances:

(I/S Figures In EGP)

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| | Expected credit loss rate | Net book value | Loss amount | Expected credit loss rate | Net book value | Loss amount |
| **Trade receivables** | | | | | | |
| Current (not past due) | -- | 34 069 679 | -- | -- | 42 176 765 | -- |
| 0–90 days past due | 0.45% | 35 701 067 | 163 147 | 0.84% | 20 078 711 | 170 602 |
| 91-180 days past due | 1.73% | 1 247 919 | 21 689 | 2.82% | 3 027 534 | 85 364 |
| 181-270 days past due | 3.35% | 598 414 | 20 092 | 3.84% | 204 149 | 7 841 |
| 271-360 days past due | 3.36% | 503 243 | 16 897 | 3.84% | 50 857 | 1 953 |
| More than 360 days past due | 97.7% | 3 458 879 | 3 379 460 | 94.9% | 2 382 358 | 2 261 920 |
| **Total** | | **75 579 201** | **3 601 285** | | **67 920 374** | **2 527 680** |

Regarding the other debit balances and advance payments, the company applies the annual form from three levels based on changes in the credit quality since initial recognition. The company's credit risk from other debit balances amounted LE 560 354 (Compared to LE 585 138 at 2021) and the advance payments amounted LE 35 814 548 (Compared to LE 24 312 057 at 2021), the following is a summary of assumptions to support the company's credit losses:

| Category | Company's definition of category | Basis for recognition of expected credit loss provision |
|---|---|---|
| Performing | Other receivables have a low risk of default and a strong capacity to meet contractual cash flows. | 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measures at its expected lifetime. |
| Underperforming | Other receivables which have a significant increase in credit risk: a significant increase in credit risk is presumed if repayments are 90 days past due. | Lifetime expected losses. |
| Non-performing | Repayments are 120 days past due. | Lifetime expected losses. |
| Provision | Repayments are 360 days past due and there is no reasonable expectation of recovery. | Asset is written off |
| Asset write off | Inability to collect debt | In case of legal opinion for uncollected debt |

The Company has assessed its other receivables as Performing and as the expected lifetime of the respective financial assets is less than 12 months, applied a lifetime expected losses measure. On 31 December 2022, the expected credit loss for other receivables was LE 103 091 (2021: LE 294 525).

The Company has not assessed any of the Advances are underperforming and non-performing. At 31 December 2022 the expected credit loss for Advances was LE Nill (2021: LE Nill). On adoption of EAS 47, there was no difference between the impairment provision under EAS 26 and under EAS 47.

The Company maintains its cash at banks and financial institutions with good reputation. The expected credit losses amounted LE 68 076 as of December 31, 2022 (compared to 59 712 at 2021) and the cash and cash equivalent amounted LE 58 485 471 as of December 31,2022 (compared to 35 513 345 at 2021). The company only dealing with high credit rating banks and financial institutions that are under the supervision of the Central Bank of Egypt (CBE).

### C- Liquidity risk

The Company's approach to liquidity management is to ensure – whenever possible – that it has sufficient liquidity to meet its obligations on their maturity date in normal and critical circumstances without incurring unacceptable losses or damaging the Company's reputation.

The ultimate responsibility for liquidity risk management lies with senior management who have developed an appropriate liquidity risk management framework to manage the Company's short, medium and long-term funding and manage liquidity requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and standby borrowing facilities, by continuously monitoring expected and actual cash flows, and by matching asset maturity dates and financial obligations.

Management forecasts cash flows and monitors successive forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs while always maintaining sufficient amount of committed and undrawn credit facilities so that the Company does not violate borrowing limits or undertakings (if any) on any of its borrowing facilities. This forecast considers the company's debt financing plans and compliance with internal rate targets.

The following tables detail the remaining contractual maturity of the company for its non-derivative financial obligations with agreed repayment periods. The schedules are prepared based on the discounted cash flows of the financial obligations based on the earliest date on which the company can be required to pay.

The schedules include both interest and the basic discounted contractual cash flows:

(I/S Figures In EGP)

| Contractual maturities of financial liabilities as of December 31, 2022 | Less than 1 year | 1-2 Years | 2-5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| Trade and other credit balances | 58 332 219 | -- | -- | 58 332 219 | 58 332 219 |
| Lease liabilities | 1 462 368 | 3 187 515 | 4 381 912 | 9 031 795 | 9 031 795 |
| Other liabilities | 4 049 843 | 17 564 030 | 33 351 704 | 54 965 577 | 54 965 577 |
| **Total** | **63 844 430** | **20 751 545** | **37 733 616** | **122 329 591** | **122 329 591** |

(I/S Figures In EGP)

| Contractual maturities of financial liabilities as of December 31, 2021 | Less than 1 year | 1-2 Years | 2-5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| Trade and other credit balances | 34 540 106 | -- | -- | 34 540 106 | 34 540 106 |
| Lease liabilities | 2 601 217 | 842 806 | 3 889 053 | 7 333 076 | 7 333 076 |
| Other liabilities | 37 301 400 | 8 052 124 | 18 220 642 | 63 574 166 | 63 574 166 |
| **Total** | **74 442 723** | **8 894 930** | **22 109 695** | **105 447 348** | **105 447 348** |

### 34-3 Fair Value of Financial Instruments

The fair values of the Company's financial instruments have been estimated to approximate their book value because the financial instruments are short-term in nature and do not carry any interest, except for short-term deposits at prevailing market rates and are expected to be realized at their present book value within twelve months from the date of the financial position.

"Fair value" is the price that will be received for the sale of an asset or paid for the transfer of an obligation in a structured transaction between market participants on the date of measurement in the asset or, in its absence, in the most advantageous market that the Company has access on that date. The fair value of liabilities reflects the risk of non-performance

A number of accounting policies and disclosures require a company to measure the fair values of both financial and non-financial assets and liabilities

The company has consistent practices regarding the measurement of fair values. Management is fully responsible for overseeing all significant fair value measurements, including the third fair value level.

Management regularly reviews significant unnoteworthy inputs and evaluation adjustments. If third party information is used, such as broker quotes or pricing services. To measure fair value, management evaluates evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Egyptian Accounting Standards including the level in the fair value hierarchy at which these valuations should be classified.

When measuring the fair value of an asset or liability, evaluators use market data that is as observable as possible. Fair values are classified into different levels in the fair value sequence based on the inputs used in valuation methods as follows:

**Level I:** Prices listed (unadjusted) in active markets for similar assets or liabilities

**Level II:** Inputs other than the prices listed are included in the first level and can be observed for the asset or liability either directly (e.g. prices) or indirectly (i.e. derived from prices)

**Level III:** Asset or liability inputs that are not based on observable market data (unobserved inputs)

If the inputs used to measure the fair value of an asset or liability fall at different levels of the fair value hierarchy, then the entire fair value measurement is classified at the same level of the fair value hierarchy as the lowest level of input as it is important for the entire measurement

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

As of 31 December 2022, nominal values minus any estimated credit adjustments to assets and liabilities with a maturity of less than one year are expected to approximate their fair value. The fair values of non-current financial obligations are considered to be close to their book values because they carry interest rates, which are based on market interest rates.

The below table shows the financial assets in fair value as of December 31, 2022 in a hierarchal basis for the fair values:

(I/S Figures In EGP)

| At December 31,2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Investments in Financial assets with FVTPL** | **19 672 111** | **--** | **--** | **19 672 111** |

## 35. 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. Governance 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 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 independent tax consultant, the tax position at December 31, 2022 as follows: -

### 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 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 / 2019:
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.

Period from 2017 / 2019:
The tax inspection wasn't performed till now.

### Second: Payroll Tax:

YearYears 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 2021
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.

Years 2021
The tax inspection wasn't performed till now.

### 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, the due tax was paid based on the agreement with the committee, the tax will be paid according to the provision formed by the company and the dispute on the remaining amount will be transferred to the committee for appeal. The company has appealed on the committee's decision and filed a lawsuit and submits a request to the committee to finalize the disputes with large taxpayers center.

Year 2020/2021
Tax inspection wasn't performed

### Fifth: Real Estate tax:

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

## 38. Basic earnings per share

The earnings per share was determined from the net profit for the financial year ended December 31, 2022 assuming no dividends have been distributed as follows:

(I/S Figures In EGP)

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Net Profit of the Year | | 40 413 376 | 18 537 972 |
| **(Deduct):-** | | | |
| Employees share in profit for the year (suggested) / actual | | (1 878 530) | -- |
| Board of directors bonus (suggested) / actual | | (910 365) | -- |
| **Distributable net profit of the year** | | **37 624 481** | **18 537 972** |
| Average number of outstanding shares during the year* | (Share) | 153 838 337 | 156 062 500 |
| **Earnings per share** | **(LE/Share)** | **0.24** | **0.12** |

*The average number of outstanding shares during the year was affected by treasury shares and nominal value shares splitting.
*The average number of outstanding shares during the year at the comparative figures was adjusted to reflect the effect of nominal value of shares splitting.

## 39. Significant Accounting Policies

The accounting policies set out below are applied consistently to all financial years presented in these separate financial statements.

### 39-1 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 separate 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 year.

### 39-2 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 expenses item.

## 39-3 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.

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 |

## 39-4 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.

## 39-5 Investments

### 39-5-1 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.

### 39-5-2 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.

## 39-6 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- Classification and subsequent measurement

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., and 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

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. |

### Financial liabilities -Classification, subsequent measurement and gains and losses

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

### Derecognition

### Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the 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 recognized 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 derecognized.

### Financial liabilities

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

The Company also derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability paid and amount paid in exchange (including any non-cash assets transferred or incurred liabilities) and the new financial liability with modified terms is recognized 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.

## 39-7 Inventory

Inventory are measured at lower of cost or net selling value at the date of financial statements, the cost is determined based on the weighted average , the inventory cost includes purchase costs and other costs which are incurred by the company to deliver the inventory to its location and current condition, excluding the borrowing costs , the selling value represent the expected selling price during the operation after deducting the expected costs for completion and selling costs , the deductions in inventory which are resulted from a decrease in the net selling value of the inventory in its book value or any other losses are recognized as expenses in the period where the loss is occurred.

## 39-8 Non-current Assets available for sale

The non-current investment available for sale or the group of assets to be eliminated which include assets and liabilities held for sale-if any- if its highly recommended to recover its book value through sale, and not to from its continual use. These group of assets and other group of assets to be eliminated are measured at lower of its book value or fair value after deducting the selling cost.

The impairment losses are recognized at the initial classification of the asset held for sale or for distribution purpose, and the subsequent gain or loss related to remeasurement in the profit or loss statement.

When the assets are classified as held for sale , the depreciation or amortization for property , plant and equipment and intangible assets are not performed

## 39-9 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.

## 39-10 Impairment

### 1) Non-derivative financial assets

### 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.

### 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.

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

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

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

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

## 39-11 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 (treasury shares)*

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 when purchase or reissuance of treasury shares, the collected amount is recognized in the shareholder equity and the surplus or deficit resulted from the transaction is presented in the reserves, after one year the capital is deducted by the treasury shares according to rules of law.

## 39-12 Dividends

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

## 39-13 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.

## 39-14 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 effective 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.

## 39-15 Revenue

The company has implemented the Egyptian Accounting Standard No. (48) as of January 1, 2021.

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

In addition to the application of the EAS (48) resulted in:

### 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.

### Services rendered

Revenue from services is recognized in the separate 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.

### Goods Sold

The revenue is recognized when the commodities are delivered or shipped where the risk and benefits related to the ownership of the commodities are transferred to the buyer so, the company will not have control or continual administrative contribution over the commodities , and there are no doubts about recovering the amount due , and the related costs or the possibility of returning the commodities and the revenues are recognized after deducting the value added tax , interests and other discounts.

## 39-16 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.

### 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 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.

### 39-19 Finance income and expense

The company's finance income and expenses include:

- Interest income
- Interest expense
- Net income or loss of financial assets in fair value through profit or loss
- Net income or loss of foreign currencies for financial assets and liabilities

## 40. Important events

**40-1** The company's management study the possibility of acquiring one of the companies operating in a field complementary to the company's activities in order to develop and support its operations, the study for substitutes and ways available to proceed with the acquisition is under progress, the company will make a primary decision to proceed with the deal or not, where the parties are still in the phase of preliminary negotiation on the optimal structure to implement the deal, which may include an exchange of shares, by issuing shares from EGYTRANS to the shareholders of the acquired company by increasing the issued capital of EGYTRANS at fair value in addition to other options according to the studies

**40-2** Russia invaded Ukraine during the year 2022, which directly affected the global economy, as Russia is considered from the largest exporters of energy in the world, including gas and oil, no material effect from these events on the company and its activities as of December 31,2022, as even though there is a corona virus ,the company observes the situation through a continuous plan and other management risk practices.

## 41. Subsequent events

The Central Bank of Egypt decided in early January 2023 to announce a new application of the flexible exchange rate system for foreign exchange pricing, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on supply and demand conditions, and accordingly, foreign exchange rates began to rise against the Egyptian pound, including the US dollar exchange rate from 24.63 Egyptian pounds to about 29.63 Egyptian pounds at the end of January 11, 2023, and this will lead to arise in the foreign currency exchange rate against the Egyptian pound to increase the amount of balance difference losses in foreign currencies during the fiscal year ending December 31, 2022 from an amount of LE 36.2 million to LE 52.2 million .

# 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 31, 2022, and the Consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year ended December 31, 2022, 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 31, 2022, 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*

Alexandria on February 27, 2023

# The Consolidated Financial Statements

## Consolidated statement of Financial Position

as of December 31, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant & equipment | (14) | 152 682 332 | 122 768 276 |
| Projects under construction | (16) | 45 028 675 | 42 746 656 |
| Right use assets | (31-1) | 19 440 563 | 5 986 399 |
| Intangible assets | (15) | 142 430 | 238 514 |
| Goodwill | (18) | 1 046 333 | 2 423 623 |
| Investments with equity method | (17) | 13 064 703 | 7 172 058 |
| **Total Non-Current Assets** | | **231 405 036** | **181 335 526** |
| **Current assets** | | | |
| Inventory | (19) | 11 195 442 | 6 830 588 |
| Trade & Notes Receivable | (20) | 85 263 522 | 72 328 207 |
| Debtors & Other debit balances | (21) | 59 553 340 | 43 110 574 |
| Due from related parties | (32-1) | -- | 575 285 |
| Financial investment through profit or loss | (22) | 19 672 111 | -- |
| Cash on hand & in banks | (23) | 87 440 369 | 41 098 953 |
| **Total Current Assets** | | **263 124 784** | **163 943 607** |
| **Total Assets** | | **494 529 820** | **345 279 133** |
| **Shareholder's Equity and liabilities** | | | |
| **Shareholder's Equity** | | | |
| Issued & paid up Capital | (24-2) | 156 062 500 | 156 062 500 |
| Reserves | | 58 946 833 | 33 951 276 |
| Retained earnings | | 98 885 503 | 51 306 949 |
| **Total shareholder's Equity of holding company** | (24) | **313 894 836** | **241 320 725** |
| Non-controlling interest | (25) | 8 816 | 6 565 |
| **Total shareholder's Equity** | | **313 903 652** | **241 327 290** |
| **Non-current liabilities** | | | |
| Long term lease contracts installments liabilities | (31-2) | 15 516 612 | 3 802 058 |
| Financial lease liabilities contracts and others | (29-1) | 44 958 118 | 23 551 801 |
| Deferred tax liabilities | (33-2) | 16 663 727 | 12 382 226 |
| Provisions | (26-1) | 153 634 | -- |
| **Total non-current liabilities** | | **77 292 091** | **39 736 085** |
| **Current liabilities** | | | |
| Lease contracts liabilities installments | (31-2),(30) | 1 156 679 | 2 692 968 |
| Trade & Notes payables | (27) | 37 941 509 | 23 166 608 |
| Due to related parties | (32-2) | 669 256 | 396 567 |
| Creditors and other credit balances | (28) | 41 281 833 | 27 832 739 |
| Provisions | (26-2) | 22 284 800 | 10 126 876 |
| **Total current liabilities** | | **103 334 077** | **64 215 758** |
| **Total Shareholders' Equity and Liabilities** | | **494 529 820** | **345 279 133** |

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

Financial manager
**Ahmed Sakr**

Chairman and managing director
**Abir Wa'el Seddik Leheta**

## Consolidated Profit or loss statement

for the Financial Year Ended December 31, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Operating Revenue | (5) | 373 809 445 | 264 400 057 |
| Operating Cost | (6) | (311 960 494) | (219 747 235) |
| **Gross profit** | | **88 142 574** | **73 768 605** |
| Other income | (7) | 7 468 236 | 1 900 355 |
| General & Administrative Expenses | (8) | (61 113 634) | (49 067 668) |
| Selling & Distribution expenses | (9) | (2 694 903) | (2 006 672) |
| Expected credit loss | (10) | (566 733) | (964 006) |
| Other Expenses | (11) | (19 409 480) | (8 808 768) |
| **Profit from Operating Activities** | | **11 826 060** | **14 821 846** |
| **Company share from investment with equity method** | **(12)** | **12 163 055** | **9 425 871** |
| Finance income | | 37 992 136 | 2 380 138 |
| Finance expenses | | (7 448 823) | (1 884 932) |
| **Net finance income** | **(13)** | **30 543 313** | **495 206** |
| **Net Profit before tax** | | **54 532 428** | **24 742 923** |
| Current income tax | (33-1) | (8 409 567) | (6 468 357) |
| **Net Profit after tax** | | **46 122 861** | **18 274 566** |
| **Distributed As follows:-** | | | |
| Share of holding company's shareholders | | 46 121 786 | 18 273 263 |
| Non – controlling interest share in sub-sidiaries profit | (25) | 1 075 | 1 303 |
| **Net profit for the year** | | **46 122 861** | **18 274 566** |
| **Basic and diluted earning per share (LE/Share)** | **(39)** | **0.29** | **0.11** |

• 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, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Net profit for the year** | | 373 809 445 | 264 400 057 |
| Foreign entities translation differences | (40-3) | 24 069 973 | (177 681) |
| **Total comprehensive income** | | **70 192 834** | **18 096 885** |
| **Distributed As follows:** | | | |
| Share of holding company's shareholders | | 70 190 444 | 18 095 631 |
| Share of non- controlling interest | | 2 390 | 1 254 |
| **Total comprehensive income for the year** | | **70 192 834** | **18 096 885** |

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

## Consolidated Statement of Changes in Shareholders' Equity

for the Financial Year Ended December 31, 2022
(I/S Figures In EGP)

| | Note No. | Issued and Paid up Capital | Treasury shares | Reserves: Legal Reserve | Reserves: Capital Reserves | Reserves: Foreign entities translation difference | Retained Earnings | Net equity of holding company's shareholders | Net Non-controlling interest | Net equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **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) |
| Balance as of January 1st ,2021 after adjustment | | **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 | (40-3) | -- | -- | -- | -- | (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** |
| **Balance as of January 1, 2022** | | **156 062 500** | **--** | **15 153 592** | **4 000 000** | **14 797 684** | **51 306 949** | **241 320 725** | **6 565** | **241 327 290** |
| **Transactions with company's shareholders** | | | | | | | | | | |
| Transferred to legal reserve | | -- | -- | 926 899 | -- | -- | (926 899) | -- | -- | -- |
| Dividends for the financial year ended December 31, 2021 | | -- | -- | -- | -- | -- | (1 325 513) | (1 325 513) | (139) | (1 325 652) |
| Purchasing treasury shares | (24-3) | -- | (8 159 397) | -- | -- | -- | -- | (8 159 397) | -- | (8 159 397) |
| Selling treasury shares | | -- | 8 159 397 | -- | -- | -- | 3 709 180 | 11 868 577 | -- | 11 868 577 |
| **Total transactions with company's shareholders** | **(40-3)** | **--** | **--** | **926 899** | **--** | **--** | **1 456 768** | **2 383 667** | **(139)** | **2 383 528** |
| **Comprehensive income** | | | | | | | | | | |
| Net profit for the financial year ended December 31, 2022 | | -- | -- | -- | -- | -- | 46 121 786 | 46 121 786 | 1 075 | 46 122 861 |
| Foreign entities translation differences | | -- | -- | -- | -- | 24 068 658 | -- | 24 068 658 | 1 315 | 24 069 973 |
| **Total comprehensive income** | | **--** | **--** | **--** | **--** | **24 068 658** | **46 121 786** | **70 190 444** | **2 390** | **70 192 834** |
| **Balance as of December 31, 2022** | | **156 062 500** | **--** | **16 080 491** | **4 000 000** | **38 866 342** | **98 885 503** | **313 894 836** | **8 816** | **313 903 652** |

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

# Notes to the separate financial statements

## Consolidated Statement of Cash Flows

for the Financial Year Ended December 31, 2022
(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Net Profit for the year before tax** | | **54 532 428** | **24 742 923** |
| **Reconciled as follows:** | | | |
| Property, plant & equipment Depreciation | (14) | 12 119 906 | 8 224 702 |
| Intangible Assets Amortization | (15) | 96 084 | 699 379 |
| Right of use assets amortization | (31-1) | 4 227 013 | 3 708 073 |
| interest income | (13-1) | (1 695 903) | (2 380 138) |
| Investment income from Associates | (12) | (12 163 055) | (9 425 870) |
| Finance expense | (13-2) | 7 363 428 | 1 580 927 |
| Foreign currencies exchange differences | (13-2) | -- | 304 002 |
| Capital gain | (7) | (2 201 138) | (700 526) |
| Impairment loss in goodwill | | 2 172 000 | -- |
| Reverse of expected credit loss in trade and debtors | (10) | (209 580) | -- |
| Expected credit loss in trade and debtors | (10) | 776 313 | 964 005 |
| **Change in provisions** | | **65 017 496** | **27 717 477** |
| Change in inventory | (19) | (4 364 854) | (1 622 049) |
| Change in trade, notes receivables debtors, other debit balances and due from related parties | (32-1),(20),(21) | (29 733 042) | (9 296 393) |
| Change in trade, other payables and due to related parties | (32-2),(28) | 28 496 684 | (29 682 842) |
| Change in provisions | | 12 311 558 | (479 026) |
| Paid employee dividends | | (1 325 652) | (6 286 938) |
| Paid Interest | (13-2) | (7 363 428) | (1 580 927) |
| Paid tax | | (4 665 213) | (5 918 801) |
| **Net cash flow provided from/ (used in) operating activities** | | **58 373 549** | **(27 149 499)** |
| **Cash flows from Investments Activities** | | | |
| Payments to acquire property, plant & equipment and projects under construction | (14),(16) | (37 956 418) | (18 731 757) |
| Proceeds from Sale of property plant and equipment | | 15 376 222 | 705 002 |
| Interest received | (13-1) | 1 695 903 | 2 610 338 |
| Cash proceeds from investment in Associates | (12) | 6 270 410 | 2 853 813 |
| Payments to acquire financial investments through profit or loss | | (19 672 111) | -- |
| **Net cash flow (used in) Investments Activities** | | **(34 285 994)** | **(12 562 604)** |
| Payments to acquire treasury shares | (24-3) | (8 159 397) | -- |
| Proceeds from sale of treasury shares | (24-3) | 11 868 577 | -- |
| Change in financial lease liabilities and others | (29-1) | 12 137 323 | -- |
| Cash dividends paid to shareholders | | -- | (23 427 297) |
| Payments for lease contract liabilities | (30), (31-2) | (2 877 336) | (4 146 025) |
| Change in pledged time deposits | (23) | (436 759) | (2 668 776) |
| **Net Cash Flow (Used In) Financing Activities** | | **12 532 408** | **(30 242 098)** |
| **Net change in cash and cash equivalent during the year** | | **36 619 963** | **(69 954 201)** |
| Foreign entities translation difference | | 9 293 058 | (125 138) |
| Cash & cash equivalent at the beginning of the year | (23) | 36 260 371 | 106 339 710 |
| **Cash & cash equivalent at the end of the year** | | **82 173 392** | **36 260 371** |

• The notes and accounting policies on pages (8) to (68) are an integral part of these 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:

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, 2022, were approved from the Board of Directors dated February 27,2023.

## 2. Background & Activities for subsidiaries Companies

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

| Direct owner ship | Percentage of ownership 31/12/2022 | 31/12/2021 |
|---|---|---|
| Egyptian Transport & logistics Company (ETAL) | 99,99 % | 99,99 % |
| Egytrans Depot Solutions Company | 99,99 % | 99,99 % |
| Egytrans Automotive solutions company (didn't start operation) | 99,99 % | -- |
| Egytrans River ports Company (under liquidation) | -- | 99,99 % |
| Egytrans Bargelink Company (under liquidation) | -- | 99,99 % |

* The Companies liquidation were authenticated in the commercial register and Egytrans River Ports Company's Commercial Register was eliminated in additions to Egytrans Barge link Company dated October 10,2022.

### 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 , 2032 .

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

Chairman Eng./ Abir Wael Leheita

### 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 Automotive solutions company

Egytrans Automotive solutions company (S.A.E) established according to law no. 83 of 2002 and its amendments and the company is subject to the Joint stock companies, limited partnership shares companies, limited liability companies and sole proprietorship companies law no. 159 of 1981 and its amendments and its executive regulation in addition to Capital market law no.95 of 1992 and its executive regulation.

The company's headquarter, legal location, and the place where the company operates is located at:

Block no 18 at (I-Z) district the Red Sea land – Alnahas at the industrial zone - Alain Al Sokhna

The purpose of the company is to import used cars, equipped them for the disabled, and manufacture the complementary devices necessary for them in accordance with the applicable import rules and regulatory controls issued by the Board of Directors of the General Authority for the Economic Zone of the Suez Canal, at a condition to obtain all required licenses , without prejudice to the provisions of the laws, regulations and decisions prevailed in the Arab Republic of Egypt and the General plan of the Economic Zone, in condition to issue the necessary licenses and approvals in order to practice these activities, and the company may participate in any way with companies and others that operates in activities similar to its business or that may assist the company in achieving its purpose inside or outside the Suez Canal Economic Zone, and it may also merge with or buy it. or append it in accordance with the provisions of the law.

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

Chairman Eng. / Abir Wael Leheita

## 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 (40).

### 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.

### 3-3Use 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.

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.
2. Recognition of deferred tax assets and liabilities.
3. Impairment in the value of financial investment in Subsidiaries and Associates.
4. Impairment on Trade receivables, debtors and due from related parties.
5. Provisions.
6. Classification of lease contracts.
7. Recognition of revenue the revenue is recognized according to the detailed implemented accounting policies.

### *i) Judgements*

The information related to the judgements performed to apply the accounting policies which have a significant impact on the value presented in the financial statements included in the following notes:

Note no (40-17) Revenue Recognition: the revenue is recognized according to the detailed accounting policies applied

Note no (40-16) Lease Contracts

### *ii) Assumptions and estimation uncertainties*

The information about assumptions and uncertainties estimation at the reporting date as of December 31, 2022, that may result in a material adjustment to the carrying amounts of the assets and liabilities within the next financial year is included in the following notes:

- Note no (40-17) revenue recognition.
- Note no(40-14) recognition and measurement of provisions and contingent liabilities: Key assumptions about the likelihood and magnitude of an outflow of resources.
- Note no (40-11) ECL measurement for financial assets
- Note no (40-4) Property, plant and equipment estimated useful life
- Note no (40-18) Deferred tax assets recognition
- Note no(40-11) Impairment in financial investments in subsidiaries and associates.
- Note no(40-5) Impairment test for goodwill and intangible assets.

### Impairment of non-financial assets

The Company evaluates the asset at the date of the financial reporting, if there is an indication that the asset value has decreased. If any indication is found, the Company evaluates the net realizable value of the asset, the realizable value of the asset is the asset fair value less cost of sale or its value is use which is higher. When evaluating the used value, the estimated future cash flows of the asset are discounted to its present value using a discount rate reflects current market valuation of the time value of money and the risks specific to the asset. When determining the fair value deducted by the costs of sale, recent market transactions are considered.

If the realizable value of the asset is estimated to be less than its carrying amount, the asset carrying amount is reduced to its collectable amount, the impairment loss is recognized directly in the statement of profit or loss.

If the impairment loss is subsequently reversed, the asset carrying amount is increased to the adjusted value of the collectable amount, but only to the extent the carrying amount do not exceed the carrying amount that could have been determined in the absence of an impairment loss of the carrying amount of the asset in previous years, The reversed impairment loss is recognized directly in the consolidated statement of profit or loss.

### Provisions

Provisions are recognized when the Company has legal or constructive obligation from past event, and settlement of obligations is probable, and its value can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation, when the provision is measured using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows.

In case of expectation of recovery of some or all economic benefits required to settle any of the provisions from third party, the amount due is recognized as an asset if it is certain to be recovered and can be measured in a reliable manner.

### Useful life of property, plant and equipment and intangible assets

The Company's management determines the estimated useful life of the property, plant and equipment for the purpose of calculating depreciation, which is calculated after consideration of the expected use of the asset or actual useful life. The department regularly reviews estimated remaining life at least annually and the method of depreciation to ensure that the method and depreciation amount are agreed with the expected pattern of economic benefits of assets.

### Lease contracts – estimation of the incremental borrowing rate

The Company cannot easily determine the implied interest rate in the lease contract, and therefore uses the incremental borrowing rate to measure the lease obligations. The incremental borrowing rate is the interest rate that the Company must pay to assume the necessary financing over a similar period and with a similar guarantee to obtain an asset with the same value as the "right of use" in a similar economic environment. Therefore, the incremental borrowing rate reflects what the Company "must pay", which requires an estimation when there are no declared rates or when it needs to be modified to reflect the terms and conditions of the lease contract.

## 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).

## 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

## Operating segments profit and loss statement

(I/S Figures In EGP)

| | Shipping and Discharge | | Land transportation | | Storage | | Logistics | | Total (After) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| Operating revenues | 23 929 343 | 21 860 821 | 90 152 491 | 89 863 714 | 21 231 172 | 12 861 450 | 105 734 294 | 59 889 885 | 241 047 300 | 184 475 870 |
| **Deduct:** | | | | | | | | | | |
| Operating cost | (17 522 706) | (16 701 373) | (73 824 593) | (70 037 807) | (12 012 126) | (9 838 737) | (93 279 387) | (51 163 976) | (196 638 812) | (147 741 893) |
| **Gross profit** | **6 406 637** | **5 159 448** | **16 327 898** | **19 825 907** | **9 219 046** | **3 022 713** | **12 454 907** | **8 725 909** | **44 408 488** | **36 733 977** |
| **Add/ deduct:** | | | | | | | | | | |
| Other income | 668 033 | 172 427 | 1 702 543 | 710 571 | 961 289 | 101 018 | 1 298 698 | 291 617 | 4 630 563 | 1 275 633 |
| Selling and Distributive expenses | (241 092) | (185 917) | (614 446) | (766 165) | (346 928) | (108 921) | (468 699) | (314 432) | (1 671 165) | (1 375 435) |
| General and administrative expenses | (5 080 976) | (4 411 113) | (12 949 331) | (16 742 016) | (7 311 442) | (2 584 294) | (9 877 739) | (7 460 289) | (35 219 488) | (31 197 712) |
| Impairment losses | (50 701) | (89 123) | (129 217) | (367 276) | (72 958) | (52 214) | (98 567) | (150 729) | (351 443) | (659 342) |
| Other expenses | (1 687 901) | (810 275) | (4 301 770) | (3 339 143) | (2 428 862) | (474 707) | (3 281 386) | (1 370 376) | (11 699 919) | (5 994 501) |
| **(Losses)/Result from operating activities** | **14 000** | **(164 553)** | **35 677** | **(678 122)** | **20 145** | **(96 405)** | **27 214** | **(278 300)** | **97 036** | **(1 217 380)** |
| Investment income | - | - | - | - | - | - | - | - | - | - |
| Net (expenses) / finance income | 2 416 926 | (29 937) | 6 159 756 | (123 370) | 3 477 917 | (17 539) | 4 698 656 | (50 631) | 16 753 255 | (221 477) |
| **Net (loss) / profit before tax** | **2 430 926** | **(194 490)** | **6 195 433** | **(801 492)** | **3 498 062** | **(113 944)** | **4 725 870** | **(328 931)** | **16 850 291** | **(1 438 857)** |
| **Deduct:** | | | | | | | | | | |
| Income tax | (527 439) | (76 096) | (1 344 226) | (313 592) | (758 976) | (44 582) | (1 025 375) | (128 698) | (3 656 016) | (562 968) |
| **Net profit for the year** | **1 903 487** | **(270 586)** | **4 851 207** | **(1 115 084)** | **2 739 086** | **(158 526)** | **3 700 495** | **(457 629)** | **13 194 275** | **(2 001 825)** |

## Cont: Operating segments profit or loss statement

(I/S Figures In EGP)

| | Total (Before) | | Additional services | | Other income and freezone | | Cleaning containers | | Investment income | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| Operating revenues | 241 047 300 | 184 475 870 | 8 331 937 | 7 160 642 | 128 109 548 | 77 567 123 | 22 614 283 | 24 312 205 | -- | -- | 400 103 068 | 293 515 840 |
| **Deduct:** | | | | | | | | | | | | |
| Operating cost | (196 638 812) | (147 741 893) | (4 970 708) | (5 238 374) | (104 266 591) | (61 971 739) | (6 084 383) | (4 795 229) | -- | -- | (311 960 494) | (219 747 235) |
| **Gross profit** | **44 408 488** | **36 733 977** | **3 361 229** | **1 922 268** | **23 842 957** | **15 595 384** | **16 529 900** | **19 516 976** | **--** | **--** | **88 142 574** | **73 768 605** |
| **Add/ deduct:** | | | | | | | | | | | | |
| Other income | 4 630 563 | 1 275 633 | 350 481 | 64 241 | 2 486 143 | 521 190 | 1 048 | 39 291 | -- | -- | 7 468 236 | 1 900 355 |
| Selling and Distribution expenses | (1 671 165) | (1 375 435) | (126 489) | (69 268) | (897 249) | (561 969) | -- | -- | -- | -- | (2 694 903) | (2 006 672) |
| General and administrative expenses | (35 219 488) | (31 197 712) | (2 665 724) | (1 643 459) | (18 909 373) | (13 333 379) | (4 319 049) | (2 893 118) | -- | -- | (61 113 634) | (49 067 668) |
| Impairment losses | (351 443) | (659 342) | (26 600) | (33 205) | (188 690) | (269 391) | -- | (2 068) | | | (566 733) | (964 006) |
| Other expenses | (11 699 919) | (5 994 501) | (885 554) | (301 886) | (6 281 691) | (2 449 206) | (542 316) | (63 175) | -- | -- | (19 409 480) | (8 808 768) |
| **(Losses)/result from operating activities** | **97 036** | **(1 217 380)** | **7 344** | **(61 309)** | **52 097** | **(497 371)** | **11 669 583** | **16 597 906** | **--** | **--** | **11 826 060** | **14 821 846** |
| Investment income | -- | -- | -- | -- | -- | -- | -- | -- | 12 163 055 | 9 425 871 | 12 163 055 | 9 425 871 |
| Net (expenses) / finance income | 16 753 255 | (221 477) | 1 268 035 | (11 154) | 8 994 857 | (90 477) | 3 527 166 | 818 314 | -- | -- | 30 543 313 | 495 206 |
| **Net (loss) / profit before tax** | **16 850 291** | **(1 438 857)** | **1 275 379** | **(72 463)** | **9 046 954** | **(587 848)** | **15 196 749** | **17 416 220** | **12 163 055** | **9 425 871** | **54 532 428** | **24 742 923** |
| **Deduct:** | | | | | | | | | | | | |
| Income tax | (3 656 016) | (562 968) | (276 720) | (28 351) | (1 962 915) | (230 019) | (1 320 826) | (3 521 128) | (1 193 090) | (2 125 891) | (8 409 567) | (6 468 357) |
| **Net (loss) / profit for the year** | **13 194 275** | **(2 001 825)** | **998 659** | **(100 814)** | **7 084 039** | **(817 867)** | **13 875 923** | **13 895 092** | **10 969 965** | **7 299 980** | **46 122 861** | **18 274 566** |

## 3. Operating revenue

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Agency, Shipping and Discharge | | 23 929 343 | 21 860 821 |
| Logistics revenue | | 105 734 294 | 59 889 885 |
| Land transportation | | 86 473 151 | 85 060 136 |
| Additional services | | 8 331 937 | 7 160 642 |
| Storage | | 21 231 172 | 12 861 450 |
| Free zone | | 121 403 241 | 68 146 761 |
| Other revenues | | 6 706 307 | 9 420 362 |
| | | **373 809 445** | **264 400 057** |

## 4. Operating cost

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Agency, Shipping and Discharge | | 17 522 706 | 16 701 373 |
| Logistics cost | | 93 279 387 | 51 163 974 |
| Land transportation | | 75 902 409 | 71 950 385 |
| Additional services | | 4 970 708 | 5 238 374 |
| Storage | | 12 012 126 | 9 838 736 |
| Free zone | | 102 907 423 | 54 715 808 |
| Other costs | | 1 359 168 | 7 255 935 |
| | | **307 953 927** | **216 864 585** |

## 5. Operating Revenue

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Shipping & Discharge | | 23 929 343 | 21 860 821 |
| Logistics revenues | | 105 734 294 | 59 889 885 |
| Land transportation | | 90 152 491 | 89 863 714 |
| Additional services | | 8 331 937 | 7 160 642 |
| Storage | | 21 231 172 | 12 861 450 |
| Free zone | | 121 403 241 | 68 146 761 |
| Other income | | 6 706 307 | 9 420 362 |
| Cleaning Containers | | 22 614 283 | 24 312 205 |
| | | **400 103 068** | **293 515 840** |

## 6. Operating Cost

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Shipping & Discharge | | 17 522 706 | 16 701 373 |
| Logistics costs | | 93 279 387 | 51 163 974 |
| Land transportation | | 73 824 593 | 70 037 807 |
| Additional services | | 4 970 708 | 5 238 374 |
| Storage | | 12 012 126 | 9 838 736 |
| Free zone | | 102 907 423 | 54 715 808 |
| Miscellaneous | | 1 359 168 | 7 255 935 |
| Cleaning Containers | | 6 084 383 | 4 795 228 |
| | | **311 960 494** | **219 747 235** |

## 7. Other Income

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Technical support Revenue | | 469 500 | 470 100 |
| Other revenue | | 455 158 | 582 658 |
| Capital Gain | | 2 201 138 | 700 526 |
| Reconcile due from Aladabia yard | | 4 342 440 | -- |
| Provisions no longer required | | -- | 147 071 |
| | | **7 468 236** | **1 900 355** |

## 8. General and Administrative expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Wages and salaries | | 35 075 055 | 27 926 603 |
| Board of Directors Bonuses and Allowances | | 4 588 011 | 3 495 667 |
| Property, plant and equipment depreciation and right of use amortization | (14) | 5 055 292 | 5 298 974 |
| Travel & transportation | | 3 124 534 | 2 328 418 |
| Subscriptions and fees | | 739 466 | 519 495 |
| Rentals | | 516 563 | 179 302 |
| Telephone & fax | | 212 408 | 156 268 |
| Hospitality and reception | | 524 475 | 512 798 |
| Professional fees | | 3 334 919 | 2 591 856 |
| Maintenance, cleaning and security | | 1 167 586 | 857 353 |
| Insurance | | 331 218 | 250 399 |
| Utilities | | 168 113 | 323 192 |
| Bank charges | | 711 059 | 441 263 |
| Computer expenses | | 1 069 691 | 967 346 |
| Public relations and investors | | 1 642 907 | 1 302 550 |
| Training expenses | | 253 739 | 218 629 |
| Vehicles expenses | | 461 875 | 334 557 |
| Printing materials | | 264 683 | 219 793 |
| Fines and compensations | | 683 100 | -- |
| Others | | 1 188 940 | 1 143 205 |
| | | **61 113 634** | **49 067 668** |

## 9. Selling and distribution expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Selling and administrative services | | 2 694 903 | 2 006 672 |
| | | **2 694 903** | **2 006 672** |

## 10. Expected credit losses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Expected credit loss in the value of trade receivables and debtors | (20),(21) | 767 949 | 975 267 |
| Reversal of expected credit loss in trade and debtors | | (209 580) | -- |
| Impairment loss/ (reverse) in bank deposits | (23) | 8 364 | (11 261) |
| | | **566 733** | **964 006** |

## 11. Other expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Formed provisions | (26) | 14 377 003 | 2 000 000 |
| Impairment loss in goodwill (Egyptian transport and logistics “Etal”) | (18) | 2 172 000 | -- |
| Symbiotic Comprehensive health insurance | (28) | 1 093 327 | 853 508 |
| Others | | 1 767 150 | 5 955 260 |
| | | **19 409 480** | **8 808 768** |

## 12. Investments income from Associates

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Barwill Egytrans Agencies Company | | 12 163 055 | 9 425 871 |
| | | **12 163 055** | **9 425 871** |

## 13. Finance income / Expenses

### 13-1 Finance income

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Foreign currencies exchange differences | | 36 296 233 | -- |
| Credit interest | | 1 695 903 | 2 380 138 |
| | | **37 992 136** | **2 380 138** |

### 13-2 Finance expenses

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Foreign currencies exchange difference | (40-2) | -- | 304 005 |
| Lease contracts interest | (31-2) | 7 363 428 | 1 580 927 |
| Change in fair value of financial assets through profit or loss | (22) | 85 395 | |
| | | **7 448 823** | **1 884 932** |
| **Net finance income** | | **30 543 313** | **495 206** |

## 14. Property, plant and equipment

(I/S Figures In EGP)

| | Note No. | Land* | Building | Vehicles | Computers | Tools and Equipment | Installations | Furniture and Fixtures | Financial leased assets ** | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost as of January 1st , 2022** | | **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** |
| Additions During the Year | | -- | 66 818 | 6 338 235 | 1 031 625 | 1 497 950 | 501 455 | 415 456 | 22 084 593 | 31 936 132 |
| Disposals during the year | | -- | (604 253) | (904 355) | (308 150) | (4 194) | -- | (245 689) | -- | (2 066 641) |
| Foreign entities translation differences | (40-3) | -- | 31 067 685 | 799 041 | 1 605 151 | 11 091 910 | 125 245 | 1 095 353 | -- | 45 784 385 |
| **Cost as of December 31, 2022** | | **19 722 950** | **100 660 731** | **68 638 979** | **9 104 963** | **65 241 921** | **5 134 076** | **7 130 757** | **25 751 819** | **301 386 196** |
| **Accumulated Depreciation as of January 1st , 2022** | | **--** | **41 310 920** | **21 006 767** | **5 889 947** | **26 649 706** | **1 262 187** | **3 978 127** | **2 866 390** | **102 964 044** |
| Depreciation during the year | | -- | 2 254 277 | 4 089 201 | 421 523 | 1 021 156 | 376 609 | 301 966 | 3 655 174 | 12 119 906 |
| Accumulated depreciation of disposals during the year | | -- | (463 261) | (825 401) | (297 313) | (4 193) | -- | (238 550) | -- | (1 828 718) |
| Foreign entities translation differences | (40-3) | -- | 21 507 619 | 561 120 | 1 575 070 | 10 647 183 | 125 243 | 1 032 397 | -- | 35 448 632 |
| **Accumulated Depreciation as of December 31, 2022** | | **--** | **64 609 555** | **24 831 687** | **7 589 227** | **38 313 852** | **1 764 039** | **5 073 940** | **6 521 564** | **148 703 864** |
| **Net property, plant and equipment as of December 31, 2022** | | **19 722 950** | **36 051 176** | **43 807 292** | **1 515 736** | **26 928 069** | **3 370 037** | **2 056 817** | **19 230 255** | **152 682 332** |
| **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** |
| **Fully Depreciated Assets and still in use as of December 31, 2022** | | **--** | **41 443 496** | **2 750 787** | **6 901 127** | **31 868 623** | **1 373 745** | **3 931 874** | **3 049 383** | **91 319 035** |
| **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 | (40-3) | -- | (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 | (40-3) | -- | (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** |

* 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 stared from 1st of April 2014 and ended in 31st December 2028 and subject to renewal after the approval from both parties.

** On February 23 , 2022 , the company enters into a contract of sale and lease back with Cairo company for financial lease regarding the administrative unit at building no.3 at the commercial market "Down town" , located at street 90 south – first district – 5th settlement and which is owned by the company and the lease back amounted 41 191 417 L.E , an advance payment will be paid amounted 3 246 217 L.E and the remaining amount of the rent which amounted 37 945 200 L.E Note no.(27) will be paid on 20 installments quarterly amounted 1 897 260 L.E including the interest. The company has delivered the noted payables with the instalments amounts to Cairo company for financial lease – this contract includes a solidarity from Egyptian for Depot Solution company and Egyptian Transport and Logistics company (Etal) "Subsidiaries".

***** Financial leased Assets represent:**

Rent of "5" head tractors Mercedes and "2" semi-trailer from Corplease company for financial lease in addition to "2" photocopiers Xerox from Incolease company for financial lease and a Subaru car, "15" trucks, "15"ntractors and "3" semi – trailer from Hermes group for financial solutions 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 |
| "15" Truck | 8 119 920 | 1 952 220 | 57 | 1 | 405 996 per quarter |
| "15" tractors | 11 311 580 | 2 719 580 | 57 | 1 | 565 579 per quarter |
| "3" semi-trailer | 1 922 800 | 462 286 | 57 | 1 | 96 140 per quarter |

## 15. Intangible assets (Net)

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| 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 | 685 258 |
| | **5 860 383** | **5 860 383** |
| **Deduct:** | | |
| Accumulated Amortization at the beginning of the year | (5 621 869) | (4 922 490) |
| Amortization during the year | (96 084) | (699 379) |
| **Accumulated Amortization at the end of the year** | **(5 717 953)** | **(5 621 869)** |
| **Net Intangible Assets** | **142 430** | **238 514** |

## 16. Projects under construction

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Land * | | 37 312 969 | -- |
| New Administrative Building at Alexandria ** | (21) | -- | 21 685 900 |
| Installations -branches of the company | | -- | 806 603 |
| Programs and licences**** | | 65 980 | 20 254 153 |
| Vehicles and transportations** | | 6 709 212 | -- |
| Advance payments to acquire property , plant and equipment | | 773 159 | -- |
| Others | | 167 355 | -- |
| | | **45 028 675** | **42 746 656** |

* The item represents the cost of acquiring a land at Alain Elsokhna for Egytrans cars solutions and the cost of accruing the land of Egytrans transport and logistics company (Etal).

** The name of Barwill Egytrans Shipping Agencies company (S.A.E) has changed during the year to Wilhelmsen Ships Services Company (S.A.E).

*** The vehicles account in the comparative figures is represented in purchasing "3" Chevrolet cars, "15" tractors and "15" trucks that were transferred to the Property, Plant and Equipment during the year in the financial leased assets.

**** The Programs and licenses item represents the value of buying and installing, the Odoo system in the company

## 17. Investments with Equity method

(I/S Figures In EGP)

| | Percentage Paid from investment | Percentage of contribution | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| 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 Wilhelmsen Ships Services Company (S.A.E) ** | 100% | 30% | 13 064 703 | 7 172 058 |
| The cost of investment in the capital of Scan Arabia Shipping Agencies Company (S.A.E)*** | 100% | 30% | 225 000 | 225 000 |
| | | | **14 174 703** | **8 282 058** |
| **Deduct:** | | | | |
| Impairment loss in the value of investments in associates | | | (1 110 000) | (1 110 000) |
| | | | **13 064 703** | **7 172 058** |

* The liquidation of Damietta Feeder Terminal company (DFTC) (S.A.E) is under progress and the investment amount in the company was fully impaired.

** The name of Barwill Egytrans Shipping Agencies company (S.A.E) has changed during the year to Wilhelmsen Ships Services Company (S.A.E).

** The company's share in the net profit of the financial year ended 31 December 2022 of Wilhelmsen Ships services company amounted of L.E 12 163 055 which is resulted from the application of the equity method, the balance was adjusted by an amount of LE 6 270 410, The amount of dividends collected during the year.

*** Scan Arabia Shipping Agencies Company (S.A.E) is still not operating till now and the investment amount in the company is fully impaired.

The following is a summary of the associate's companies financial data as of 31/12/2022

I/S Figures In EGP)

| | Assets Thousand | Liabilities Thousand | Shareholders's Equity Thousand | Revenues Thousand | Expenses Thousand |
|---|---|---|---|---|---|
| Wilhelmsen Ships services | 364 519 | 311 460 | 53 059 | 159 313 | 109 260 |
| Scan Arabia Shipping agencies company (S.A.E) | 54 459 | 68 647 | (14 188) | 760 | 10 243 |

## 18. Goodwill

The balance which amounted L.E 1 046 333 on December 31, 2022 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 resulted from shares Acquisition in subsidiaries: -

(I/S Figures In EGP)

| | Balance at 1/1/2022 | Impairment loss | Foreign currency translation | Balance at 31/12/2022 |
|---|---|---|---|---|
| Egyptian Transport & Logistics Company (ETAL) | 2 172 000 | (2 172 000) | -- | -- |
| Egytrans Depot Solutions | 251 623 | -- | 794 710 | 10 046 333 |
| | **2 423 623** | **(2 172 000)** | **794 710** | **1 046 333** |

The holding company owns a group of subsidiaries, and the goodwill is resulted from their acquisition.

The recoverable value of the cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on the financial budgets approved by the management, which cover a maximum period of 5 years.

The growth rate for calculating the residual value is 2% as of December 31, 2022, not exceeding the long-term average historical growth rate for the sector in which the subsidiaries operate. Management determines assumptions for cash flow forecasts based on previous experience and market expectations.

When goodwill is tested for impairment, the recoverable amount of the cash-generating unit is determined on the basis of value in use calculations. The recoverable amount has been determined based on value in use. These accounts use cash flow projections based on financial budgets approved by management covering a period of 5 years.

The cash inflows used for the purposes of calculating the value in use include container cleaning revenue and heavy transport revenue and the cash outflows used for the purposes of calculating the value in use include the cost of salaries and operating expenses.

The following are the key assumptions used in the value in use calculations to test the recoverability of goodwill:

| | 31/12/2022 |
|---|---|
| Average annual growth rate of revenue | %5 |
| Average annual growth rate of total profits | %1 |
| Growth rate to calculate residual value | %2 |
| Discount rate | %9.26 |

Management has determined the expected gross margin based on past performance and market expectations. The weighted average growth rates used are consistent with the forecasts reported in the sector.

The value determined for use is higher than the book value of the intangible assets (goodwill) of Egytrans for Depot Solutions Company and less than the book value of the intangible assets of the Egyptian Transport and Logistics company (ETAL), which has been fully impaired.

The discount rates used are pre-tax and reflect specific risks related to the relevant cash-generating units.

### Impact of possible changes in the initial assumptions

To measure the sensitivity of changes in the assumptions used on the value in use of goodwill, assuming a change in the average budgeted gross margin used in calculating the value in use of the cash-generating unit is 5% less than management estimates, or assuming that the average budgeted revenue growth margin used in calculating the value in use of the cash-generating unit is 1% less than management's estimate or assuming the pre-tax discount rate applicable to the cash-generating unit's cash flows is 1% higher than management's estimates, or assuming that the marginal growth rate applied to cash flow forecasts for this cash-generating unit is 1% higher than management's estimates, the value in use will increase over the book value of intangible assets (goodwill), and therefore there are no indications of the existence of impairment risks for the book value of the intangible assets.

## 19. Inventory

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Equipped Vehicles (Egytrans Free Zone Services) | | 8 943 302 | 4 444 600 |
| Chemicals inventory | | 42 114 | 23 553 |
| Spare parts inventory | | 1 930 498 | 2 092 239 |
| Goods in transit | | 92 131 | 131 319 |
| Other inventory | | 187 397 | 138 877 |
| | | **11 195 442** | **6 830 588** |

## 20. Trade and notes receivable

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Trade receivables | | 82 894 630 | 74 465 047 |
| Notes receivables | | 6 249 820 | 669 289 |
| | | **89 144 450** | **75 134 336** |
| **(Deduct):** | | | |
| Expected Credit loss in the value of Trade receivables * | | (3 880 928) | (2 806 129) |
| | | **85 263 522** | **72 328 207** |

* Expected credit loss in the value of Accounts receivable and notes receivable

(I/S Figures In EGP)

| | Balance as of 1/1/2022 | Formed During the year | Foreign currency Translation during the year | Expected credit loss | Balance as of 31/12/2022 |
|---|---|---|---|---|---|
| Expected credit loss | 2 806 129 | 767 949 | 324 996 | (18 146) | 3 880 928 |
| | **2 806 129** | **767 949** | **324 996** | **(18 146)** | **3 880 928** |

## 21. Debtors and other debit balances

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Advances Suppliers | | 1 899 449 | 1 633 364 |
| Accrued Revenue | | 5 532 874 | 5 364 370 |
| Deposits held with others | | 1 575 580 | 1 352 414 |
| Letter of guarantee Covers | (34) | 13 142 204 | 8 576 243 |
| Agents debit balances - Official receipts | | 8 164 501 | 13 800 344 |
| Tax Authority * | | 15 549 851 | 10 460 946 |
| Prepaid expenses | | 2 623 176 | 1 624 271 |
| Al rawad High services company debtors | | 1 624 210 | -- |
| Operation under progress- freezone | | 1 372 036 | -- |
| Sale of assets debtors (Empire for real -estate investment company) | (16) | 7 498 920 | -- |
| Other Debtors** | | 570 539 | 298 622 |
| | | **59 553 340** | **43 110 574** |

* This balance includes an amount of LE 9.9 million which represent advanced payments for income tax after deducting the income tax due for the year which amounted L.E 3.5 million (Note No. 33-5).

** The balance of debtors and other debit balances was decreased by an amount of LE 103 091 which represents the expected credit losses (compared to an amount of LE 294 525 on December 31, 2021).

## 22. Financial Investments with fair value through profit or loss

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Investments Funds Azimut * | | 19 672 111 | -- |
| | | **19 672 111** | **--** |

* The investment funds represent a common share for the fund owner in the assets value at each issuance, and on 31 December 2022, the investment fair value is determined based on the buying prices prevailing in the active market for similar financial instruments so, the measurement of the fair value at level one is based on a hierarchal base for the fair value as detailed in the EAS no.45 – Fair Value Measurement.

* The number of investment funds on 31 December 2022 amounted 78 025 funds and the fair value of the fund on 31 December 2022 amounted an amount equivalent to LE 19.6 million.

### The movement during the year as follows:

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance at the beginning of the year | | -- | -- |
| Investment acquisition during the year | | 19 757 506 | -- |
| Revaluation effect | (13) | (85 395) | -- |
| | | **19 672 111** | **--** |

## 23. Cash on hand and in banks

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Bank Current Accounts | | 48 578 362 | 35 260 744 |
| Time deposits * | | 36 783 453 | 4 898 294 |
| Checks under collection | | 587 712 | -- |
| Cash on hand | | 1 558 918 | 999 627 |
| **Cash and cash equivalent balances** | | **87 508 445** | **41 158 665** |
| **Deduct:** | | | |
| Pledged Time deposits against Letters of Guarantee * | (34) | (5 335 053) | (4 898 294) |
| **Cash and Cash equivalent at the end of the year for the purpose of the consolidated statement of cash flow** | | **82 173 392** | **371 260 36** |
| **(Deduct):** | | | |
| Expected credit loss in bank deposits balances | | (68 076) | (59 712) |
| **Cash and cash equivalent** | | **82 105 316** | **36 200 659** |

* Time deposits in local currency in the amount of LE 5 335 053 representing time deposits at bank Abu Dhabi, Commercial International Bank Egypt and (QNB) against letters of guarantee issued by the company.

## 24. Capital share

### 24-1 Authorized capital

The authorized capital amounting LE 750 million and this after reducing the authorized capital from LE 1 billion to be LE 750 Million according to the Extraordinary General Assembly held on December 16,2021and the authorized capital has been authenticated in the Commercial register.

### 24-2 Issued and paid up capital

Issued and paid-up capital amounted to LE 156 062 500 represented in 156 062 500 shares and this is after increasing the shares from 31 212 500 shares according to the decree of splitting of the Nominal value per share to become with a value of LE 1 instead of LE 5, based on the decree of the Financial Regulatory Authority and according to the Board of directors meeting held on November 21,2021 which 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 and the registration committee had decided to approve on the share splitting starting from April 27,2022

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.

### The company's capital structure is as follows as of December 31, 2022:

(I/S Figures In EGP)

| Share holder's | Nationality | No. of shares | Contribution Percentage | Par value of shares |
|---|---|---|---|---|
| National 1nvestment Bank | Egyptian | 39 410 150 | 25.25% | 39 410 150 |
| Ms. Abir Wael Sedeek Leheta | Egyptian | 7 454 380 | 4.78% | 7 454 380 |
| Ms. Heba Wael Sedeek Leheta | Egyptian | 6 625 920 | 4.25% | 6 625 920 |
| Ms. Amani Wael Sedeek Leheta | Egyptian | 5 380 440 | 3.45% | 5 380 440 |
| Mr. Mohamed Ashraf Saad Eldin | Egyptian | 2 654 070 | 1.70% | 2 654 070 |
| Mr. Ahmed Elsayed Atris | Egyptian | 5 300 000 | 3.39% | 5 300 000 |
| Mr. Gamal Abl Elqader Abd Elbaseer | Egyptian | 4 966 935 | 3.18% | 4 966 935 |
| Mr. Mohamed Mostafa abdelmoneim Korashy | Egyptian | 3 132 500 | 2% | 3 132 500 |
| The Egyptian Company For Iron and Steel | Egyptian | 3 000 000 | 1.92% | 3 000 000 |
| Other shareholders | -- | 78 138 105 | 50.08% | 78 138 105 |
| | | **156 062 500** | **100%** | **156 062 500** |

### 24-3 Treasury shares

The company has bought a number of 4 987 885 shares during the year (after share split , the share value becomes 1 LE instead of 5 LE) of the company's shares with an average price of 1.635 LE per share which were bought till August 2 , 2022 and represents a percentage of 3.19 % of the company's capital based on the company's board of directors decree dated February 24, 2022 related to the purchase of treasury shares to support the share market price which doesn't exceed a 10% from the total of the company's shared capital issued , to be executed on 6 months and according to the company's board of directors decrees for the meetings held on August 23, 2022 ,and on November 13, 2022 the company sold the treasury shares dated August 24,2022 and November 16,2022 at an average price of 2.38 LE per share with a total amount of LE 11.8 million realizing a sale surplus amounted LE 3.7 million included in shareholder equity in the retained earnings item

### 24-4 Reserves

#### 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 926 899 rom the net profit for the financial year ended December 31, 2021 according to the company's Ordinary General Assembly decree dated March 30, 2022 to reach an amount of LE 16 080 491 on December 31, 2022.

#### 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.

#### Reserve translation differences

The reserve translation differences consist of an amount of LE 38 071 630 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) in addition to Egytrans Car Solutions. .

## 25. Non-controlling interest

The following table represents information about the subsidiaries companies which have non-controlling shares , considered to be significant regarding to the group

| 31/12/2022 | Work place | Non-controlling shares ownership percentage |
|---|---|---|
| Egyptian Transport & logistics Company (ETAL) | Egypt | %0.01 |
| Egytrans Depot Solutions Company | Egypt | %0.01 |
| Egytrans for cars solutions | Egypt | %0.01 |

| 31/12/2021 | Work place | Non-controlling shares ownership percentage |
|---|---|---|
| Egyptian Transport & logistics Company (ETAL) | Egypt | %0.01 |
| Egytrans Depot Solutions Company | Egypt | %0.01 |
| Egytrans Bargelink Company | Egypt | %0.01 |
| Egytrans River ports Company | Egypt | %0.01 |

Egytrans Bargelink company and Egytrans River Ports are liquidated.

The percentage of non-controlling interest shares votes are equal to the percentage of non-controlling shares ownership.

### Non-controlling interest movement

(I/S Figures In EGP)

| | Retained earnings | Total |
|---|---|---|
| **Balance at January 1st 2021** | **5 442** | **5 442** |
| Dividends paid to employees | (131) | (131) |
| Comprehensive income during the year | 1 254 | 1 254 |
| **Balance at 31/12/2021** | **6 565** | **6 565** |
| **Balance at January 1st 2021** | **6 565** | **6 565** |
| Dividends paid to employees | (139) | (139) |
| Comprehensive income during the year | 2 390 | 2 390 |
| **Balance at 31/12/2021** | **8 816** | **8 816** |

## 26. Provisions

### 26-1 Long-term Provisions

(I/S Figures In EGP)

| | Balance as of 1/1/2022 | Formed during the year | Foreign currency differences during the year | Used during the year | Balance as of 31/12/2022 |
|---|---|---|---|---|---|
| Provision for claims | -- | 228 747 | (75 113) | -- | 153 634 |
| | **--** | **228 747** | **(75 113)** | **--** | **153 634** |

### 26-2 Long-term Provisions

(I/S Figures In EGP)

| | Balance as of 1/1/2021 | Formed during the year | Foreign currency differences during the year | Used during the year | Balance as of 31/12/2022 |
|---|---|---|---|---|---|
| Provision for claims | 10 126 876 | 14 377 003 | 103 006 | (2 322 085) | 22 284 800 |
| | **10 126 876** | **14 377 003** | **103 006** | **(2 322 085)** | **22 284 800** |

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.

## 27. Trade and notes payables

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Trade payables | | 18 378 692 | 16 981 656 |
| Notes payables | (29-2) | 19 562 817 | 6 184 952 |
| | | **37 941 509** | **23 166 608** |

## 28. Creditors and other credit balances

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Agents- credit balances | | 4 069 627 | 551 641 |
| customers- advance payments | | 9 456 393 | 11 544 963 |
| Accrued Expenses | | 6 201 961 | 6 871 612 |
| Accrued expense – Free zone | | 2 794 625 | 17 525 |
| Employees' vacations | | 2 023 400 | -- |
| Deposits from others | | 2 356 710 | 1 204 494 |
| Deposits from others – free zone | | 5 099 537 | 738 211 |
| Accrued salaries | | 2 678 250 | 1 461 957 |
| General Authority for social insurance | | 566 663 | 439 600 |
| Tax authority | | 3 112 087 | 1 490 169 |
| Dividend payable | | 283 037 | 358 605 |
| Symbiotic contribution to the comprehensive health insurance system | (8) | 1 304 397 | 847 146 |
| Other credit balances | | 1 335 146 | 2 306 816 |
| | | **41 281 833** | **27 832 739** |

## 29. Financial lease liabilities and others

### 29-1 long terms financial lease liabilities and others

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Long term financial lease liabilities and others | | 51 088 750 | 26 618 462 |
| **Deduct:** | | | |
| Deferred interest expense | | (6 130 632) | (3 066 661) |
| | | **44 958 118** | **23 551 801** |

### 29-2 Short-term financial Lease liabilities and others

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Short term financial lease liabilities and others | | 23 822 019 | 7 967 322 |
| **Deduct:** | | | |
| Deferred interest expense | | (4 259 202) | (1 782 370) |
| | | **19 562 817** | **6 184 952** |

## 30. Lease contracts liabilities

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance at the beginning of the year | | 206 466 | 946 527 |
| **Add:** | | | |
| Interest expense | | 114 422 | 308 511 |
| **Deduct:** | | | |
| Paid during the year | | (320 888) | (1 048 572) |
| **Balance at the end of the year** | | **--** | **206 466** |
| **Deduct:** | | | |
| Installments due within one year | | -- | (206 466) |
| **Ending balance of long-term lease contracts liabilities** | | **--** | **--** |

## 31. Assets and liabilities for right of use lease

### 31-1 Right of use of assets

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

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Balance as of January 1 | | 9 693 847 | -- |
| Additions during the year | | 14 352 758 | 9 695 878 |
| Translation differences | | 4 157 683 | (2 031) |
| **Balance** | | **28 204 288** | **9 693 847** |
| **Amortization** | | | |
| Balance as of January 1 | | 3 707 448 | -- |
| Amortization during the year | | 4 227 013 | 3 708 073 |
| Translation differences | | 829 264 | (625) |
| **Balance** | | **8 763 725** | **3 707 448** |
| **Net book value** | | **19 440 563** | **5 986 399** |

### 31-2 Lease contracts liabilities

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

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Total of non-deducted lease liability | | 27 511 765 | 12 955 278 |
| Lease contracts interests | | (8 167 604) | (3 261 431) |
| **Net present value of lease liability from right of use** | | **19 344 161** | **9 693 847** |
| **Add:** | | | |
| Interest expense | | 2 475 765 | 782 030 |
| **Deduct:** | | | |
| Payments during the year | | (5 146 635) | (4 187 317) |
| **Balance** | | **16 673 291** | **6 288 560** |
| **Deduct:** | | | |
| Current portion of lease liability | | (1 156 679) | (2 486 502) |
| **Non-current portion of lease liability** | | **15 516 612** | **3 802 058** |

The minimum present value from lease payments due during the following years :

| | During the year | From 1-2 years | From 2-5 years | Total |
|---|---|---|---|---|
| December 31, 2022 | 1 156 679 | 3 401 913 | 12 114 699 | **16 673 291** |

The company has measured the lease liability by deducting the lease payments using the incremental borrowing rate, the minimum limit was deducted from future lease payments , using the effective interest rate amounted %11.25 annually for its present value which represents the company's incremental borrowing rate.

## 32. Related parties transactions

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:

### 32-1 Due from Related Parties

(I/S Figures In EGP)

| | Nature of Transactions | Value of Transactions | Balance as of 31/12/2022 | Balance as of 31/12/2021 |
|---|---|---|---|---|
| Damietta Feeder Terminal Company | Financial transactions | -- | 964 185 | 964 185 |
| Wilhelmsen Ship Services company* | Financial transactions | (575 285) | -- | 575 285 |
| | | | **964 185** | **1 539 470** |
| **Deducted:** | | | | |
| Expected credit loss in the due from related parties (under liquidation company) | | | (964 185) | (964 185) |
| | | | **--** | **575 285** |

### 32-2 Due to Related Parties

(I/S Figures In EGP)

| | Nature of Transactions | Value of Transactions | Balance as of 31/12/2022 | Balance as of 31/12/2021 |
|---|---|---|---|---|
| Current Shareholders | Financial transactions | -- | -- | 417 |
| Wilhelmsen Ship Services company* | Technical support | 535 230 | 222 506 | -- |
| | Dividends | 6 967 122 | | |
| | Financial transactions | (8 299 079) | | |
| Board of director member and committees' members | Board of directors committee meeting attendance | 446 750 | 446 750 | 396 150 |
| | | | **669 256** | **396 567** |

* The name of Barwill Egytrans shipping agencies company (S.A.E) has changed during the year to Wilhelmsen ships services (S.A.E)

### 32-3 The top management payments

The top management are represented in the board of directors, the company's manager, and the salaries and bonuses granted to the top management during the year are as follows :

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Salaries and benefits | 8 319 480 | 6 543 183 |
| Board of Directors Benefits & Allowances | 4 588 011 | 3 495 667 |
| | **12 907 491** | **10 038 850** |

## 33. Tax

### 33-1 Income Tax

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Current income tax expense | 3 161 848 | 3 475 453 |
| Deferred tax expenses | 4 054 629 | 867 013 |
| Dividend tax expense | 1 193 090 | 2 125 891 |
| | **8 409 567** | **6 468 357** |

### 33-2 Deferred Assets and liabilities tax

(I/S Figures In EGP)

| | 2020 | Recognized in the Profit Or Loss Statement | 2021 Assets | 2021 Liabilities | Net |
|---|---|---|---|---|---|
| Property, Plant and Equipment | 440 11 462 | 799 510 | -- | 12 239 972 | 12 239 972 |
| Finance leased assets | 419 75 | 835 66 | -- | 142 254 | 254 142 |
| Foreign currency differences | -- | 668 | -- | -- | -- |
| **Deferred Tax During the Year** | **11 515 881** | **867 013** | **--** | **12 382 226** | **12 382 226** |

| | 2021 | Recognized in the Profit Or Loss Statement | 2022 Assets | 2022 Liabilities | Net |
|---|---|---|---|---|---|
| Property, Plant and Equipment | 239 12 972 | 849 892 | -- | 13 089 864 | 13 089 864 |
| Finance leased assets | 254 142 | (494 125) | -- | 16 761 | 761 16 |
| Foreign currency differences | -- | (871 226) | -- | -- | -- |
| Unrealized Foreign currency differences | -- | 102 557 3 | -- | 3 557 102 | 102 557 3 |
| **Deferred Tax During the Year** | **12 382 226** | **4 054 629** | **--** | **16 663 727** | **16 663 728** |

The liability related to temporary differences of investments in subsidiaries and associates are not recognized, as the group has control over the reserve of the temporary differences , and these differences won't be reversed in the near future.

### 33-3 Reconciliation of effective tax rate

(I/S Figures In EGP)

| | | 31/12/2022 | | 31/12/2021 |
|---|---|---|---|---|
| **Net profit before tax** | | **54 532 428** | | **24 742 923** |
| Tax rate | | 22.5% | | 22.5% |
| **Income Tax for accounting profit** | | **12 269 796** | | **5 567 158** |
| Depreciation effect | | (1 649 858) | | (1 514 360) |
| Foreign currency exchange differences | | (15 133 419) | | (328 697) |
| Reversed expected credit losses in trade and other receivables and investments and due from related parties | | 810 968 | | 1 237 459 |
| Formed provisions | | 14 377 003 | | 2 000 470 |
| Provisions reversed | | -- | | (147 071) |
| Free zone net profit | | (27 795 308) | | (11 425 052) |
| Symbiotic contribution to the comprehensive health insurance | | 1 093 327 | | 853 508 |
| Provisions used | | (1 780 115) | | -- |
| Good will impairment | | 2 172 000 | | -- |
| Other additions | | 1 176 057 | | 8 091 838 |
| Net tax losses during the year | | -- | | 834 289 |
| Tax differences paid | | -- | | 476 231 |
| **Tax base** | | **27 803 083** | | **24 857 538** |
| **Exemptions (investments revenues)** | | **(12 163 055)** | | **(9 425 871)** |
| Net Tax Base | 22.5% | 15 640 028 | 22.5% | 15 431 667 |
| **Current income tax** | | **3 519 006** | | **3 472 125** |
| **Deferred tax** | | **4 054 629** | | **867 013** |
| **Total income tax and deferred tax** | | **7 573 635** | | **4 339 138** |
| **Effective tax rate** | | **13.89%** | | **17.54%** |

### 33-4 Unrecognized deferred tax assets

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

(I/S Figures In EGP)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Expected Credit loss in due to related parties | 216 941 | 216 941 |
| Expected Credit loss in trade and noted receivables and other debit balances and time deposits | 911 721 | 711 082 |
| Provisions | 5 023 366 | 2 278 547 |
| Impairment in the value of investment in subsidiaries and associates | 249 750 | 249 750 |
| Tax losses | -- | 1 104 431 |
| **Total** | **6 401 778** | **4 560 751** |

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.

### 33-5 (Tax assets)/Income tax

(I/S Figures In EGP)

| | Note No. | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Current income tax | | 3 519 006 | 3 472 125 |
| Withholding tax- tax authority | | (865 795) | (565 088) |
| Advance payments-tax authority | | (12 617 700) | (12 416 133) |
| Accrued interest on advance payment during the year | | (2 176) | (88 967) |
| | **(21)** | **(9 966 665)** | **(9 598 063)** |

## 34. 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)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| The letters of guarantees in EGP | 23 466 663 | 23 543 663 |
| The letters of guarantees in USD | 64 117 | 64 117 |
| The letters of guarantees in Euro | 10 000 | 10 000 |

The company will be charged with all tax liabilities which could result from Egytrans River Ports Company and Egytrans Bargelink transportation liquidation.

## 35. Objectives and Policies of Financial Instruments Risk Management

### 35-1 Financial Instruments

This illustration provides information on the Company's financial instruments, including:
- An overview of all financial instruments held by the company
- Specific information on each type of financial instrument
- Information on determining the fair value of instruments, including uncertain judgments and estimates

The Company's main financial instruments include term deposits and financial investments in financial assets at fair value through profits or losses. The main purpose of these financial instruments is to increase financing for the company's operations. The company has many other financial instruments such as customers and suppliers that arise directly from operations.

The main risks arising from the Company's operations are foreign exchange risk and credit risk.

#### Financial Assets

All financial assets owned by a company are measured at depreciated cost using the effective interest rate method and as a result book values are a reasonable approximation of fair value, except for financial investments measured at fair value.

#### Financial liabilities

All financial liabilities owned by the company are measured at depreciated cost using the effective interest rate method and as a result the book amounts are a reasonable approximation of fair value.

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Financial Assets** | | | |
| **With amortization cost** | | | |
| Banks current accounts and time deposits | (23) | 85 293 739 | 40 099 326 |
| Trade and Notes receivables and other debit balances | (20),(21) | 107 622 268 | 93 143 957 |
| Due from related parties | (1-32) | -- | 575 285 |
| **With Fair Value** | | | |
| Financial investments with Fair value through profit or loss | (22) | 19 672 111 | -- |
| | | **212 588 118** | **133 818 568** |
| **Financial Assets** | | | |
| Trade and Notes payables and other credit balances | (27),(28) | 64 500 765 | 36 318 864 |
| Lease liabilities | (30) | 16 673 291 | 6 495 026 |
| Due to related parties | (32-2) | 669 256 | 396 567 |
| | | **81 843 312** | **43 210 457** |

All assets and financial liabilities are classified and measured at amortized cost, and the fair value of all financial instruments does not differ significantly from their book value except for financial investments measured at fair value.

For the purpose of disclosure of financial instruments, non-financial assets amounting to EGP 40 713 600 (31 December 2021: EGP 22 294 824) have been excluded from other debit balances.

## 35-2 Financial Risk Management

The Company's activities are exposed to a variety of financial risks, including changes in market risk (including foreign exchange rate risk, fair value, cash flow interest rate risk, and price risk), as well as credit risk and liquidity risk, the Company's risk management program aims to minimize the potential negative effects of these risks on the Company's financial performance. Risk management is carried out in accordance with policies approved by the Board of Directors.

This disclosure presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's capital management. Further quantitative disclosures have been included in these financial statements.

The senior management has full responsibility for developing and monitoring the general framework for the company's risk management and identifies and analyzes the risks facing the company to determine the appropriate risk levels and controls.

The Company's risk management policies are developed to identify and analyze the risks faced by the Company, establish appropriate risk limits and controls, monitor risks and adhere to limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and company activities. The company, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### A- Market Risk

### 1- Foreign currency Risk

The company is exposed to the risk of foreign currency when purchasing from suppliers abroad in foreign currency. The main currencies that lead to this risk are the US dollar, the euro, the British pound and the Swedish corona. The Company's foreign currency assets and liabilities as of 31 December 2022 amounted to the equivalent of 120 609 780 LE and 7 210 786 LE respectively. The amounts in foreign currencies that put the company at risk as of 31 December 2022 are as follows:

| | 31/12/2022 Surplus\(deficit) | 31/12/2021 Surplus\(deficit) |
|---|---|---|
| **Foreign currency** | | |
| USD | 4 142 895 | 533 738 |
| Euro | 229 692 | 225 232 |
| GBP | 64 953 | 68 910 |
| Swedish Corona | 1 388 368 | 1 104 569 |
| Chinees Yuan | (48 201) | (81 737) |
| Swiss Franc | 35 | -- |

### 2- Fair value risk and interest rate on cash flows

Interest rate risk is the risk of volatility of the value of a financial instrument due to changes in market interest rates with an impact on a company's financial position and cash flows. The company's management continuously monitors fluctuations in interest rates, and the company's financial assets and liabilities are not exposed to interest rate risks.

### 3- Price risk

The Company's exposure to commodity price risk arises from service providers. The selling price does not fluctuate significantly. To manage price risk, the company continuously studies supply and demand trends in the market to determine the best time to enter into service agreements. The company's management constantly monitors the fluctuation in prices for key services

### B- Credit Risk

The Company is exposed to credit risk as a result of the counterparty's failure to fulfill its contractual obligations when due, in respect of the following:

- Customer
- Debtors and other debit balances
- Due from related parties
- Employees' receivables
- Advance Payments
- Cash in banks and on hand

Credit risk is the risk that a company will suffer financial loss as a result of the failure of the client or counterparty of a financial instrument to fulfill its contractual obligations, arising mainly from customers. The book value of financial assets represents the maximum credit risk.

The company's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, management also takes into account factors that may affect the credit risk of its customer base, including the risk of default associated with the industry and the sector in which customers operate.

For clients, the company has established a credit policy according to which each new client is individually analyzed according to solvency before submitting the entity's standard payment and delivery terms and conditions, and includes a review of financial statements, information about the business and in some cases bank references. Each customer is assigned a credit limit and reviewed periodically.

When monitoring customer credit risk, clients are grouped according to their credit characteristics, history of dealing with the company and the presence of previous financial difficulties.

### Assessment of expected credit losses as of January 1, 2022 and December 31, 2022

The Company customizes each credit risk exposure based on a variety of data that is identified as loss risk statements based on forecasting and expertly applying credit judgment. Credit risk scores are defined using qualitative and quantitative factors that indicate the risk of loss. Exposure risk for each credit risk category is classified by sector according to industry classification and customer classification and the expected credit loss rate for each sector is calculated based on the status of late payment and actual credit loss experience.

These rates are multiplied by gradient factors to reflect the differences between economic conditions during the year in which historical data was collected, current conditions, and the company's view of economic conditions over the expected lifespan of customer balances. The company uses an impairment matrix to measure customers' expected credit losses.

The following table provides information on exposure to credit risk and credit losses from customers, debtors and other debit balances:

(I/S Figures In EGP)

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| | Expected credit loss rate | Net book value | Loss amount | Expected credit loss rate | Net book value | Loss amount |
| **Trade receivables** | | | | | | |
| Current (not past due) | -- | 38 376 786 | -- | | 44 519 481 | -- |
| 0–90 days past due | 0.433% | 38 240 647 | 165 419 | 0.775% | 22 514 085 | 174 433 |
| 91-180 days past due | 1.697% | 1 316 289 | 22 331 | 2.167% | 4 413 976 | 95 657 |
| 181-270 days past due | 3.324% | 606 763 | 20 166 | 2.812% | 306 032 | 8 607 |
| 271-360 days past due | 3.252% | 527 968 | 17 169 | 3.694% | 53 705 | 1 984 |
| More than 360 days past due | 95.548% | 3 826 177 | 3 655 843 | 95.021% | 2 657 768 | 2 525 448 |
| **Total** | | **82 894 630** | **3 880 928** | | **74 465 047** | **2 806 129** |

Regarding the other debit balances and advance payments, the company applies the annual form from three levels based on changes in the credit quality since initial recognition. The company's credit risk from other debit balances amounted LE 673 630 (Compared to LE 593 147 at 2021) and the advance payments amounted LE 40 713 600 (Compared to LE 22 294 824 at 2021), the following is a summary of assumptions to support the company's credit losses:

| Category | Company's definition of category | Basis for recognition of expected credit loss provision |
|---|---|---|
| Performing | Other receivables have a low risk of default and a strong capacity to meet contractual cash flows. | 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measures at its expected lifetime. |
| Underperforming | Other receivables which have a significant increase in credit risk: a significant increase in credit risk is presumed if repayments are 90 days past due. | Lifetime expected losses. |
| Non-performing | Repayments are 120 days past due. | Lifetime expected losses. |
| Provision | Repayments are 360 days past due and there is no reasonable expectation of recovery. | Asset is written off |
| Asset write off | Inability to collect debt | In case of legal opinion for uncollected debt |

The Company has assessed its other receivables as Performing and as the expected lifetime of the respective financial assets is less than 12 months, applied a lifetime expected losses measure. On 31 December 2022, the expected credit loss for other receivables was LE 103 091 (2021: LE 294 525).

The Company has not assessed any of the Advances are underperforming and non-performing. At 31 December 2022 the expected credit loss for Advances was LE Nill (2021: LE Nill). On adoption of EAS 47, there was no difference between the impairment provision under EAS 26 and under EAS 47.

The Company maintains its cash at banks and financial institutions with good reputation. The expected credit losses amounted LE 68 076 as of December 31, 2022 (compared to 59 712 at 2021) and the cash and cash equivalent amounted LE 85 361 815 as of December 31,2022 (compared to 40 159 038 at 2021). The company only dealing with high credit rating banks and financial institutions that are under the supervision of the Central Bank of Egypt (CBE).

### C- Liquidity risk

The Company's approach to liquidity management is to ensure – whenever possible – that it has sufficient liquidity to meet its obligations on their maturity date in normal and critical circumstances without incurring unacceptable losses or damaging the Company's reputation.

The ultimate responsibility for liquidity risk management lies with senior management who have developed an appropriate liquidity risk management framework to manage the Company's short, medium and long-term funding and manage liquidity requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and standby borrowing facilities, by continuously monitoring expected and actual cash flows, and by matching asset maturity dates and financial obligations.

Management forecasts cash flows and monitors successive forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs while always maintaining sufficient amount of committed and undrawn credit facilities so that the Company does not violate borrowing limits or undertakings (if any) on any of its borrowing facilities. This forecast considers the company's debt financing plans and compliance with internal rate targets.

The following tables detail the remaining contractual maturity of the company for its non-derivative financial obligations with agreed repayment periods. The schedules are prepared based on the discounted cash flows of the financial obligations based on the earliest date on which the company can be required to pay.

The schedules include both interest and the basic discounted contractual cash flows:

(I/S Figures In EGP)

| Contractual maturities of financial liabilities as of December 31, 2022 | Less than 1 year | 1-2 Years | 2-5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| Trade and other credit balances | 64 500 765 | -- | -- | 64 500 765 | 64 500 765 |
| Lease liabilities | 3 022 348 | 5 527 507 | 15 164 299 | 23 714 154 | 23 714 154 |
| Other liabilities | 669 256 | 16 447 427 | 51 088 755 | 68 205 438 | 68 204 438 |
| **Total** | **68 192 369** | **21 974 934** | **66 253 054** | **156 420 357** | **156 420 357** |

(I/S Figures In EGP)

| Contractual maturities of financial liabilities as of December 31, 2021 | Less than 1 year | 1-2 Years | 2-5 years or more | Total | Carrying amount |
|---|---|---|---|---|---|
| Trade and other credit balances | 36 318 864 | -- | -- | 36 318 864 | 36 318 864 |
| Lease liabilities | 3 401 976 | 1 642 041 | 3 895 211 | 8 939 228 | 8 939 228 |
| Other liabilities | 396 567 | 8 192 303 | 18 382 239 | 26 971 109 | 26 971 109 |
| **Total** | **40 117 407** | **9 834 344** | **22 277 450** | **72 229 201** | **72 229 201** |

### 35-3 Fair Value of Financial Instruments

The fair values of the Company's financial instruments have been estimated to approximate their book value because the financial instruments are short-term in nature and do not carry any interest, except for short-term deposits at prevailing market rates and are expected to be realized at their present book value within twelve months from the date of the financial position.
"Fair value" is the price that will be received for the sale of an asset or paid for the transfer of an obligation in a structured transaction between market participants on the date of measurement in the asset or, in its absence, in the most advantageous market that the Company has access on that date. The fair value of liabilities reflects the risk of non-performance
A number of accounting policies and disclosures require a company to measure the fair values of both financial and non-financial assets and liabilities
The company has consistent practices regarding the measurement of fair values. Management is fully responsible for overseeing all significant fair value measurements, including the third fair value level.
Management regularly reviews significant unnoteworthy inputs and evaluation adjustments. If third party information is used, such as broker quotes or pricing services. To measure fair value, management evaluates evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Egyptian Accounting Standards including the level in the fair value hierarchy at which these valuations should be classified.
When measuring the fair value of an asset or liability, evaluators use market data that is as observable as possible. Fair values are classified into different levels in the fair value sequence based on the inputs used in valuation methods as follows:
**Level I:** Prices listed (unadjusted) in active markets for similar assets or liabilities

**Level II:** Inputs other than the prices listed are included in the first level and can be observed for the asset or liability either directly (e.g. prices) or indirectly (i.e. derived from prices)

**Level III:** Asset or liability inputs that are not based on observable market data (unobserved inputs).

If the inputs used to measure the fair value of an asset or liability fall at different levels of the fair value hierarchy, then the entire fair value measurement is classified at the same level of the fair value hierarchy as the lowest level of input as it is important for the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

As of 31 December 2022, nominal values minus any estimated credit adjustments to assets and liabilities with a maturity of less than one year are expected to approximate their fair value. The fair values of non-current financial obligations are considered to be close to their book values because they carry interest rates, which are based on market interest rates.

The below table shows the financial assets in fair value as of December 31, 2022 in a hierarchal basis for the fair values:

(I/S Figures In EGP)

| At December 31,2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Investments in Financial assets with FVTPL** | **19 672 111** | **--** | **--** | **19 672 111** |

## 36. 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.

## 37. 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.

## 38. Tax status

According to the tax position received from the tax consultant, the tax position at December 31, 2022 as follows:

### 38-1 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 / 2019:
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.

### Period from 2020/2021:
The tax inspection wasn't performed till now.

## 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 2021
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.

### Years 2021
The tax inspection wasn't performed till now.

## 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, the due tax was paid based on the agreement with the committee, the tax will be paid according to the provision formed by the company and the dispute on the remaining amount will be transferred to the committee for appeal. The company has appealed on the committee's decision and filed a lawsuit and submits a request to the committee to finalize the disputes with large taxpayers center.

### Year 2020/2021
Tax inspection wasn't performed

## Fifth: Real Estate tax:

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

## 38-2 Egyptian Transport and Logistics Company (ETAL) (subsidiary company)

According to tax received from tax consultant the tax position as at December 31 , 2022 is as follows:

## 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.

### 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 has been discussed before dispute settlement committee and the dispute was transferred to the internal competent committee and all items of dispute has been settled except import messages and the dispute has been transferred to appeal committee in Cairo and a defense memorandum has been submitted in the determined session and the appeal committee issued it's decision and the company is subject to delay fines (being calculated in the authority).

### 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 tax inspection is being performed for this period.

### Year 2021
Tax return has been submitted in the legal due date and the company has been notified of inspection for this period and documents is being prepared with tax authority and there's no due taxes to date.

## 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.

### Year 2021
Tax return was submitted in the legal due date and the company has been notified of inspection for this period and documents is being prepared with tax authority and there's no due taxes to date.

## 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.

### Years from 2019 to 2021
Value added tax returns is submitted in the legal due date and tax inspection was not requested for this period and there's no due taxes for this periods to date.

## 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 2021:
Tax inspection was requested for this period and the inspection is in progress.

## 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 2021
Tax inspection wasn't performed for these years till now.

## 38-3 Egytrans Depot Solutions Company ( subsidiary company):

According to tax status issued by the company's independent tax consultant, the company's tax status is as follows:

### First: 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 the period from the start of the business and till 2016 and, the final models was issued.
Tax inspection was not performed for years from 2017 till year 2021.
The company submits its tax return in its legal date, and it pays the due tax as per these tax returns.

### Second: 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.

### Third: Payroll Tax

Payroll tax inspection was performed for the period from the start of the business till year December 31,2018 and the due tax differences was paid.
Tax inspection was not performed for the years from 2019 till 2021.

### Fourth: 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.

Tax inspection was not performed for the years from 2019 till 2021.

## 39. Earnings per share

The earnings per share was determined from the net profit for the financial year ended December 31, 2022 as follows:

(I/S Figures In EGP)

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| Net Profit for the Year | (LE) | 46 121 786 | 18 273 263 |
| Average number of outstanding shares during the year* | (Share) | 153 838 337 | 156 062 500 |
| **Earnings per share** | **(LE/Share)** | **0.29** | **0.11** |

* The average number of outstanding shares during the year was affected by treasury shares and shares splitting.

* The average number of outstanding shares in the comparative figures has been adjusted to reflect the effect of shares splitting.

## 40. 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)).

### 40-1 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.

### 40-2 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.

### 40-3 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).

### 40-4 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.

*ii) 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.

The estimated useful life for each type of Property, Plant & Equipment are as follows:

| 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 |

*iv)* 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.

### 40-5 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 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 |
|---|---|
| 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.

### 40-6 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.

### 40-7 Investments

#### 40-7-1 Investments in Associate

An associate is an entity over which the group enjoys significant influence through participation in the financial and operating decisions of that entity, but it does not amount to control or joint control.

The business results, assets and liabilities of the associate are included in the group financial statements using the equity method. As for those investments that are classified for the purpose of selling and that are accounted for in accordance with Egyptian Standard No. (32) "Non-current assets held for sale and discontinued operations," they are measured at book value or fair value (less costs necessary to sell), whichever is lower.

Using the equity method, the investments in the associate companies are shown in the consolidated statement of financial position at the cost adjusted by the group's share of the post-acquisition changes in the net assets of the acquired associate, when deducting any impairment that occurred on the value of the investment separately. Any increase in the group's share of the losses of the sister company over the book value of the group's investment in the sister company is not recognized unless that increase is within the limits of the legal or constructive obligation on the group towards the sister company or the sums that the group may have paid on behalf of that company.

On the date of acquisition, the difference between the cost of acquisition and the group's share of the fair value of the net assets of the sister company is accounted for in accordance with Egyptian Accounting Standard No. (29) for business combinations, and accordingly:

Any increase in the cost of acquisition over the group's share in the net fair value of the assets, identifiable liabilities, and potential liabilities of the associate company on the date of acquisition is recognized as goodwill, and the goodwill resulting from the acquisition of the sister company is included in the book value of the investment, and impairment of that goodwill is assessed as part of the investment as a whole.

Any increase in the Group's share in the net fair value of the associate's specific assets and liabilities and potential liabilities over the acquisition cost on the acquisition date is excluded from the book value of the investment, provided that it is recognized as revenue when determining the Group's share of the associate's profits or losses for the period during which the investment was acquired.

In the event that the group deals with the sister company, mutual profits and losses are excluded within the limits of the group's share of this sister company. This loss may be evidence of a decrease in the value of the transferred asset, and in this case, an appropriate provision is formed to meet this impairment.

### 40-8 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- Classification and subsequent measurement

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 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

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. |

### 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.

## 40-9 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.

## 40-10 Non-current Assets available for sale

The non-current assets available for sale or the group of assets to be eliminated which include assets and liabilities held for sale-if any- if its highly recommended to recover its book value through sale, and not to from its continual use. These group of assets and other group of assets to be eliminated are measured at lower of its book value or fair value after deducting the selling cost.

The impairment losses are recognized at the initial classification of the asset held for sale or for distribution purpose, and the subsequent gain or loss related to remeasurement in the profit or loss statement.

When the assets are classified as held for sale , the depreciation or amortization for property , plant and equipment and intangible assets are not performed

## 40-11 Impairment

### 1) Non-derivative financial assets

#### 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.

#### 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.

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

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

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

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

## 40-12 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 (treasury shares)*

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 when purchase or reissuance of treasury shares, the collected amount is recognized in the shareholder equity and the surplus or deficit resulted from the transaction is presented in the reserves, after one year the capital is deducted by the treasury shares according to rules of law.

## 40-13 Dividends

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

## 40-14 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.

## 40-15 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 effective 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.

### 40-16 Lease contracts

#### 1- (Right Of Use)

TThe 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.

### 40-17 Revenue from contract with customers

The company has implemented the Egyptian Accounting Standard No. (48) as of January 1, 2021

The company recognized revenue from contract with customers based on five step model as identified in Egyptian accounting standards 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

In addition , Application of Egyptian Accounting Standard No.(48) Leads to the following:

### 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 financing 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) Goods Sold*

The revenue is recognized when the commodities are delivered or shipped where the risk and benefits related to the ownership of the commodities are transferred to the buyer so, the company will not have control or continual administrative contribution over the commodities , and there are no doubts about recovering the amount due , and the related costs or the possibility of returning the commodities and the revenues are recognized after deducting the value added tax , interests and other discounts.

## 40-18 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*

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.

## 40-19 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.

## 40-20 Finance income and expense

The company's finance income and expenses include:

- Interest income
- Interest expense
- Net income or loss of financial assets in fair value through profit or loss
- Net income or loss of foreign currencies for financial assets and liabilities

## 41. Important events

**41-1** The company's management study the possibility of acquiring one of the companies operating in a field complementary to the company's activities in order to develop and support its operations, the study for substitutes and ways available to proceed with the acquisition is under progress, the company will make a primary decision to proceed with the deal or not, where the parties are still in the phase of preliminary negotiation on the optimal structure to implement the deal, which may include an exchange of shares, by issuing shares from EGYTRANS to the shareholders of the acquired company by increasing the issued capital of EGYTRANS at fair value in addition to other options according to the studies

**40-2** Russia invaded Ukraine during the year 2022, which directly affected the global economy, as Russia is considered from the largest exporters of energy in the world, including gas and oil, no material effect from these events on the company and its activities as of December 31,2022, as even though there is a corona virus ,the company observes the situation through a continuous plan and other management risk practices.

## 42. Subsequent events

The Central Bank of Egypt decided in early January 2023 to announce a new application of the flexible exchange rate system for foreign exchange pricing, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on supply and demand conditions, and accordingly, foreign exchange rates began to rise against the Egyptian pound, including the US dollar exchange rate from 24.63 Egyptian pounds to about 29.63 Egyptian pounds at the end of January 11, 2023, and this will lead to arise in the foreign currency exchange rate against the Egyptian pound to increase the amount of balance difference losses in foreign currencies during the fiscal year ending December 31, 2022 from an amount of LE 36.2 million to LE 52.2 million .

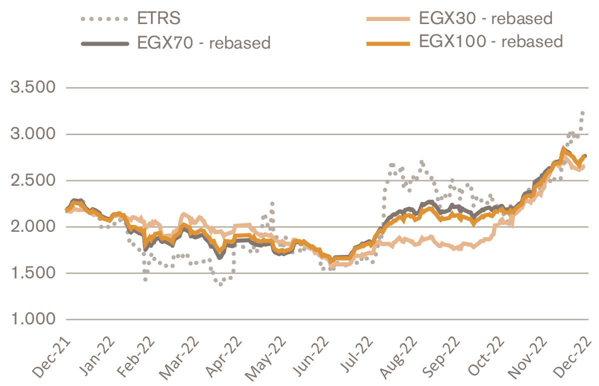
# Investor Information

In this section

# Share Performance

The share closed at EGP 3.14 (YTD +44.4%) on 29/12/2022, analyzed as follows:
Price low: EGP 1.31 during April
Price high: EGP 3.26 during December

While the Egyptian Stock Exchange indices closed at the following levels on 29/12/2022:
EGX 30 at 14,598.5 points (TYD +22.2%)
EGX 70 at 2,801.9 points (TYD +27.3%)
EGX 100 at 4,145.5 points (TYD +27.3%)

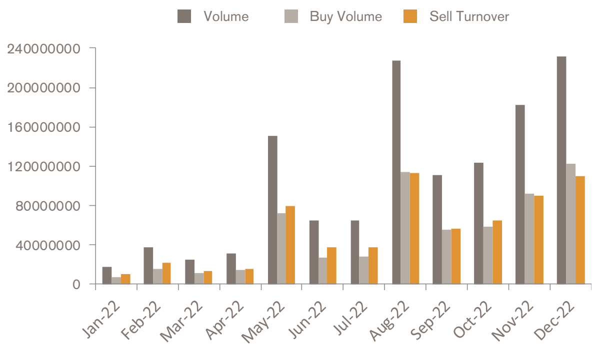


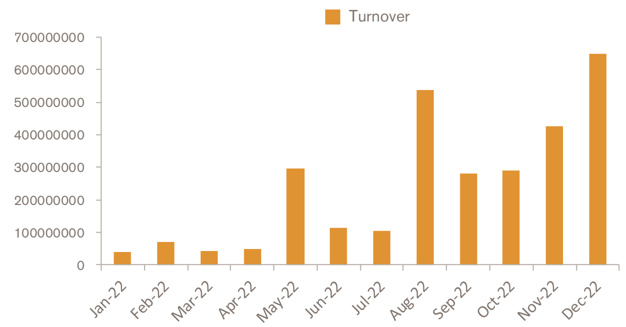

**Volume traded**

Volume traded during the year was 1.267 billion shares.

**Turnover**

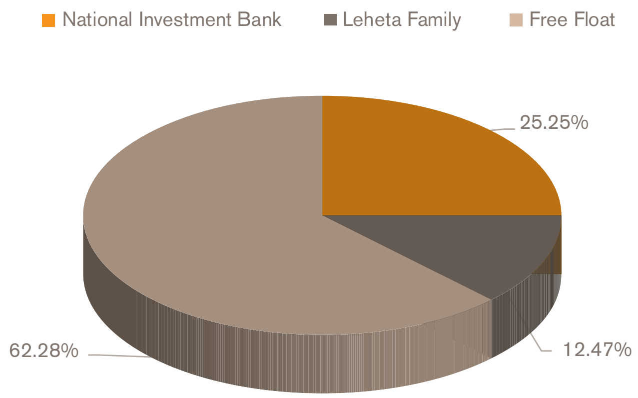
Turnover during the year reached EGP 2.900 billion.




# Shareholder Structure

| Investors | Percentage |
|---|---|
| National Investment Bank | 25.250% |
| Leheta Family | 12.470% |
| Free Float | 62.280% |




# 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.

## Egytrans Investor Relations

Contact Information
Sherif Helmy
Investor Relations Manager
ir@egytrans.com
+201015172111
ir.egytrans.com

## Acknowledgements

Design, Content and Printing
Kalemat Communications
pr@kalematcommunications.com

ir.egytrans.com