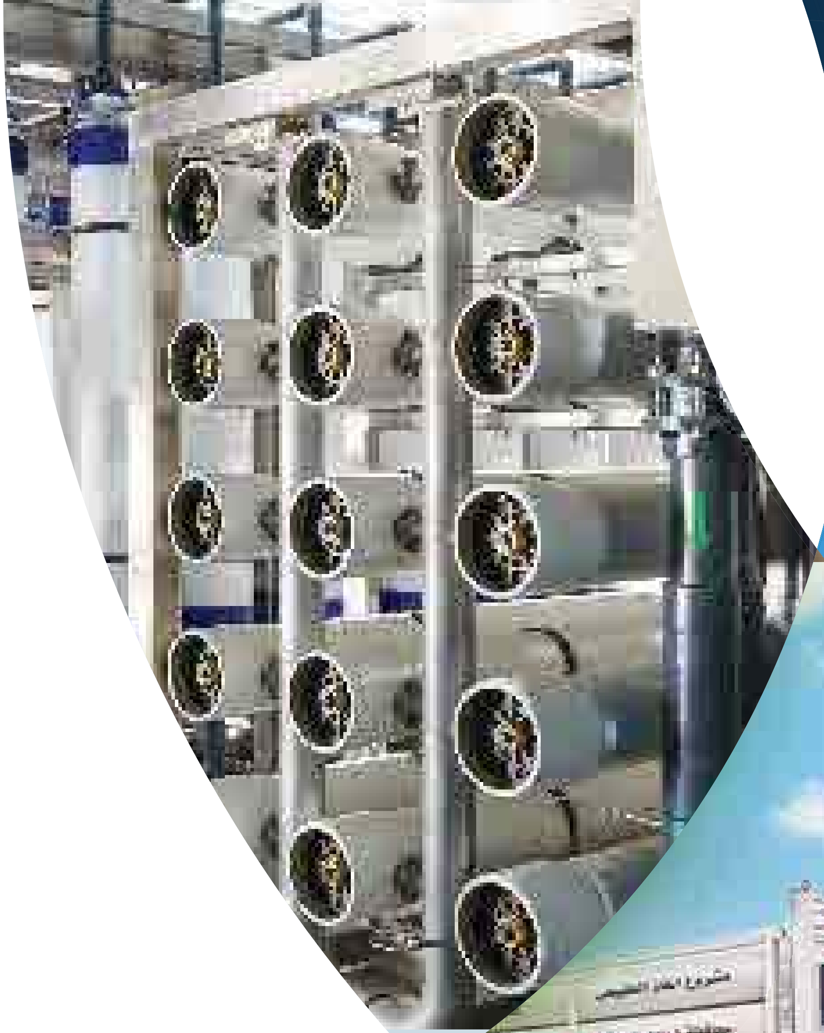


ANNUAL REPORT 2021

A World OF ENERGY

TAQA Arabia

EXPERTISE

TAQA ARABIA LEADING THE ENERGY MARKET

CONTENTS

KEY FINANCIAL INDICATORS

9.1
BILLION EGP
REVENUE

534
MILLION EGP
PROFIT

TAQA Arabia is the largest private energy distribution company in Egypt and has provided quality solutions across the Middle East, North Africa, and the Arab World for over 24 years, reaching a total of over 1.5 million customers. Established in 2006, we invest, install, construct, and operate infrastructure projects that leverage the highest industry standards and technology to support a vision of stable and sustainable economic growth in the region.

Through our four business sectors (Gas, Power, Petroleum, and Water), TAQA Arabia is dedicated to provide our clients with a complete perspective of market dynamics, using our extensive knowledge base and hands-on experience. Seamlessly adapting to changing market conditions, we cooperate with high-level stakeholders to enter new fields and stay on the cutting-edge of the market.

“Utilizing knowledge and technology to stay ahead of the competition.”

1.5 +
Million Customers

1.4 M +
Customers Connected to Natural Gas

2.3 Billion
investments

42
Cities Across Egypt

15
Companies Established and Incorporated

119
Oil & CGN Stations

3400
Employees

8
Governates

EXECUTIVE OVERVIEW

ADJUSTING TO THE NEW NORMAL AND EXPANDING INTO THE FUTURE.

GROWING AND EXPANDING INTO THE FUTURE

During 2021, TAQA Arabia fully adjusted to the new normal of doing business following the COVID pandemic. We saw a return to in-office work, continued the successful operation and expansion of projects in our three existing branches – Gas, Power, and Petroleum – and have **formally established TAQA Water, our latest business sector**. In addition, 2021 also saw the implementation of our **virtual pipeline project**, the first of its kind in the Middle East and North Africa, that will provide the energy needs of communities and projects currently not served by the national grid.

In our Gas sector, we have expanded our network to now cover a total of **1.46 million Egyptians across 8 governates.** The Power team was able to expand the excess capacity of our E-Styrenics power generation plant in the Dekhila Port, as well as support the Alexandria and 6th of October industrial parks through the unified Egyptian grid, reaching a total of **10,000 power clients across Egypt** with a total distribution capacity of **more than 1126 MW**. Finally, our network of service stations has also reached a milestone of **60 stations across 19 governates.**

TAQA WATER: Eco-Friendly Production, Distribution, and Monitoring

One of the most important achievements of 2021 was the establishment of TAQA Water, our fourth business branch and the first comprehensive provider of economically efficient and environmentally conscious water production and distribution solutions. Focusing on the agricultural, industrial, touristic and real estate sectors, the TAQA Water team, under the leadership of Eng. Hany Ezzat, will utilize its more than 15 years of experience in water treatment to lead the market and provide safe and sustainable sources of water using the latest technology.

1
Introducing New Technology, *including the mobile LNG facility, placing TAQA Arabia as one of the region's leading energy innovators.*

2
Entering New Fields *with the establishment of TAQA Water arm that will focus on a holistic and sustainable view of providing water production and distribution projects.*

3
Reaching More Clients *than ever before through our Gas, Electricity, and Oil Marketing arms, with a successful track record of projects across Egypt, the Middle East, and Africa.*

4
Dedication to Long-Term Success *through study and analysis, the experts on the TAQA Arabia team work closely with stakeholders at every level.*

FULFILLING REMOTE ENERGY NEEDS WITH MOBILE CNG

At TAQA Arabia, we believe that technology is the key ingredient to providing quality, reliable sources of energy that power Egypt's economic growth. For the first time in the MENA region, 2021 saw the introduction of our first virtual CNG pipeline project. Using a fleet of specially designed trucks, TAQA provides compressed natural gas to tourism and industrial projects that are currently off-grid, allowing their internal networks to be efficiently fed with the gas that they need to function. The technology used is also fully convertible, allowing for an easy shift to the national grid as it continues to expand to new regions.

AT A GLANCE

Founded in 2006 and based in Cairo, Egypt, TAQA Arabia is a leading player in the energy industry that focuses on the sustainable development and economic progress of the MENA region.

A HOLISTIC VIEW OF ENERGY

TAQA Arabia operates across four main platforms: Gas, Power, Petroleum, and Water. With projects in the residential, commercial, and industrial sectors, we provide the region with the fuel that powers economic growth.

At TAQA Arabia, we believe that creating a successful energy company means constantly looking to the future. As a result, our portfolio of investments and projects is diverse, spanning the industry to remain flexible and adapt to market conditions. We are also dedicated to innovation, applying new solutions to consistently provide our clients with world-class service.

Since our inception, we have provided our stakeholders and partners in both the government and private sectors with impressive returns, creating a truly one-stop destination for energy development and distribution.

BUSINESS REVIEW

GAS ARM

TAQA Gas is a pioneer in the transmission and distribution of natural gas and EPC works, providing residential, commercial, and industrial clients with a secure daily supply of energy. Currently, we provide natural gas to more than 1.46 million customers in 8 governates and 42 cities across Egypt and have active operations in Iraq, Qatar, and the UAE.

TAQA Power

POWER ARM

TAQA Power is the platform for conventional and renewable power generation and distribution with more than 1126 GWHR annual sales to the oil & gas, petrochemicals, manufacturing, tourism, and real estate industries. With the recent addition of Excess Power Utilization, TAQA Power provides tailored power management across Egypt.

PETROLEUM ARM

TAQA Petroleum is the first privately owned Egyptian company licensed to supply and market petroleum products, currently operating a network of 60 service stations under the "TAQA" brand name across 19 Egyptian governorates. Moreover, TAQA Petroleum is the sole distributor of Castrol lubricants in the Egyptian market since 2009 whereby it locally produces and sells Castrol products with sales reaching more than 2500 tons in 2021.

EXECUTIVE MANAGEMENT TEAM

KHALED ABU BAKR
Executive Chairman

A regional veteran of the energy industry with more than 37 years of achievements and experience, Eng. Abu Bakr is the Co-Founder of TAQA Arabia and one of the key players in the development of private-sector gas and power in Egypt, Africa, and the Middle East.

Prior to founding the Gas & Energy Company (GENCO) in 1997, which would go on to become part of TAQA Arabia in 2006, Eng. Abu Bakr worked with several international organizations and held executive positions in Egypt's state-owned energy companies, helping to create the country's natural gas infrastructure.

In addition to his role at TAQA Arabia, Eng. Abu Bakr is also the Chairman of the Egyptian Gas Association, President of the Italian-Egyptian Business Council, and a board member for several companies listed in the Egyptian Stock Exchange.

PAKINAM KAFAFI
Chief Executive Officer

Mrs. Pakinam Kafafi has more than 26 years of experience in the energy and investment banking sectors and was one of the founding members of TAQA Arabia in 2006, acting first as Chief Investment Officer. Since assuming the leadership of TAQA Arabia as CEO in 2013, she has been critical to the company's evolution and has led a successful diversification strategy.

Before joining TAQA Arabia, Mrs. Kafafi was the vice president of EFG-Hermes Investment Banking, a leading regional investment institution, where she successfully participated in acquisitions and privatization projects.

Mrs. Kafafi has been recognized for her contributions to the Egyptian energy market and business community as the 21st Most Powerful Businesswoman in the Middle East, among the Top Fifty Women performing in Egypt, as well as the Best CEO in the energy sector by The Global Economics magazine.

PETER MOFEED
Chief Financial Officer

Mr. Peter Mofeed is a leading strategy and investment manager in Egypt and the Middle East and joined TAQA Arabia in May 2010. Prior to working with TAQA Arabia, Mr. Mofeed was a manager of Corporate Finance at Ezz Steel, where he was responsible for evaluating new projects and arranging the necessary finance for all the company's subsidiaries.

In addition, Mr. Mofeed spent more than eight years with Commercial International Bank (CIB), the largest private bank in Egypt. He worked in both the Corporate and Investment Banking departments, securing the finance and development of projects across various industries. His last assignment there was as the Vice President of CI Investment Banking, an advisory firm established by CIB.

MANAGING DIRECTORS OF TAQA ARMS

SAMY ABDELKADER
TAQA Power

Samy Abdelkader joined TAQA Arabia in 2016 and brings more than 30 years of experience in Industrial Management, including in the areas of sales, marketing, commerce, distribution, supply chain, and international trade. At the management level, Mr. Abdelkader has worked as an Executive Committee member for more than 20 years and as a Board Member for the last 15 years.

Immediately prior to joining TAQA Arabia, Mr. Abdelkader worked for 11 years with Lafarge in Pakistan, Nigeria, and Egypt, with his final two postings as General Manager of Lafarge Cement Egypt and Managing Director / CEO of Lafarge WAPCO Nigeria.

MOHAMED NAFEA
TAQA Oil Marketing

Eng. Mohamed Nafea Joined TAQA In 2008, after a 21 year-long career in Oil and Gas Marketing with Mobil Oil Egypt, Mobil Oil Morocco and ExxonMobil Egypt. He rose to the positions of President and Fuels Marketing Manager of Mobil Oil Morocco and Retail Marketing Manager of ExxonMobil Egypt.

In the latter capacity, he led the Marketing and Sales of Fuels, Convenience Products and Other Back Court Offers through a retail chain of 409 outlets.

TAREK EL-HAWARY
TAQA Gas & TAQA E.P.C.

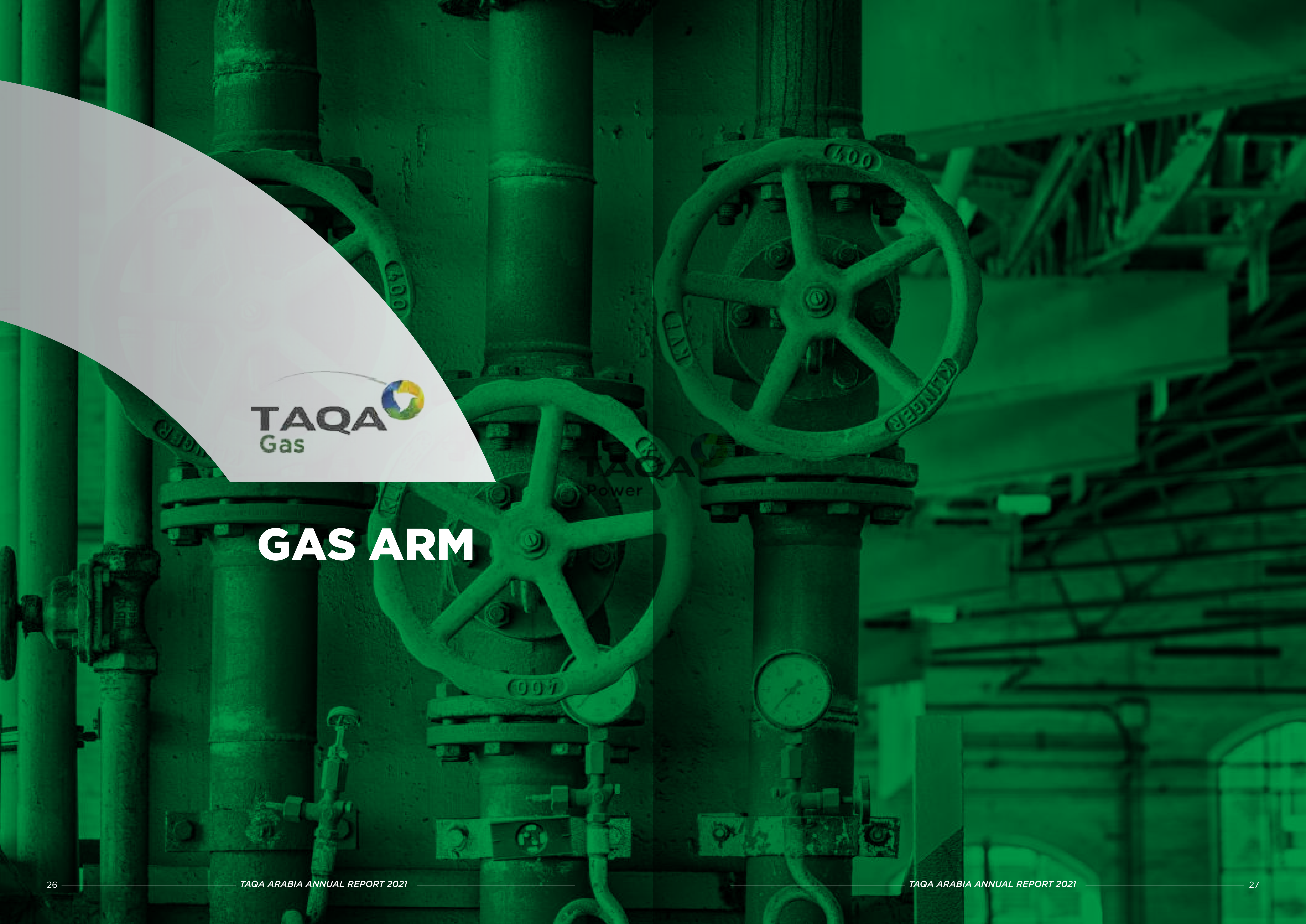
Eng. Tarek El-Hawary joined the TAQA Arabia group of companies in 2005 and quickly became the Managing Director of Technical Affairs. He is responsible for supervising the execution of City Gas projects, which supply natural gas to over a million residential and industrial customers across Egypt, and the generation of electricity, maintaining ISO-level standards of productivity and quality assurance.

Eng. El-Hawary's career spans decades, beginning in 1985 as a site engineer for Egypt Gas Co. Immediately prior to joining TAQA Arabia, Eng. El-Hawary spent six years as a project manager at House Gas Co., supervising the construction of Egypt's natural gas network.

HANY EZZAT
TAQA WATER's MD

Eng. Hany Ezzat joined TAQA Arabia in July 2021 as the head of TAQA Water, our newest branch that will focus on projects in the field of water treatment and provision. He has expertise of over 15 years in the water treatment field. Eng. Ezzat specializes in project development and management and boasts a long track record of turning low-performing organizations into top revenue producers with successful projects.

Prior to joining TAQA Arabia, Eng. Ezzat was the Senior Director of Projects, Operations & Procurement at the Ridgewood Group, where he executed and managed plants that process over 90,000 m3/day. He holds a BS in Mechanical Engineering with a major in Mechatronics and Industrial Engineering, a master's degree in industrial engineering, and a MBA from Cairo University.

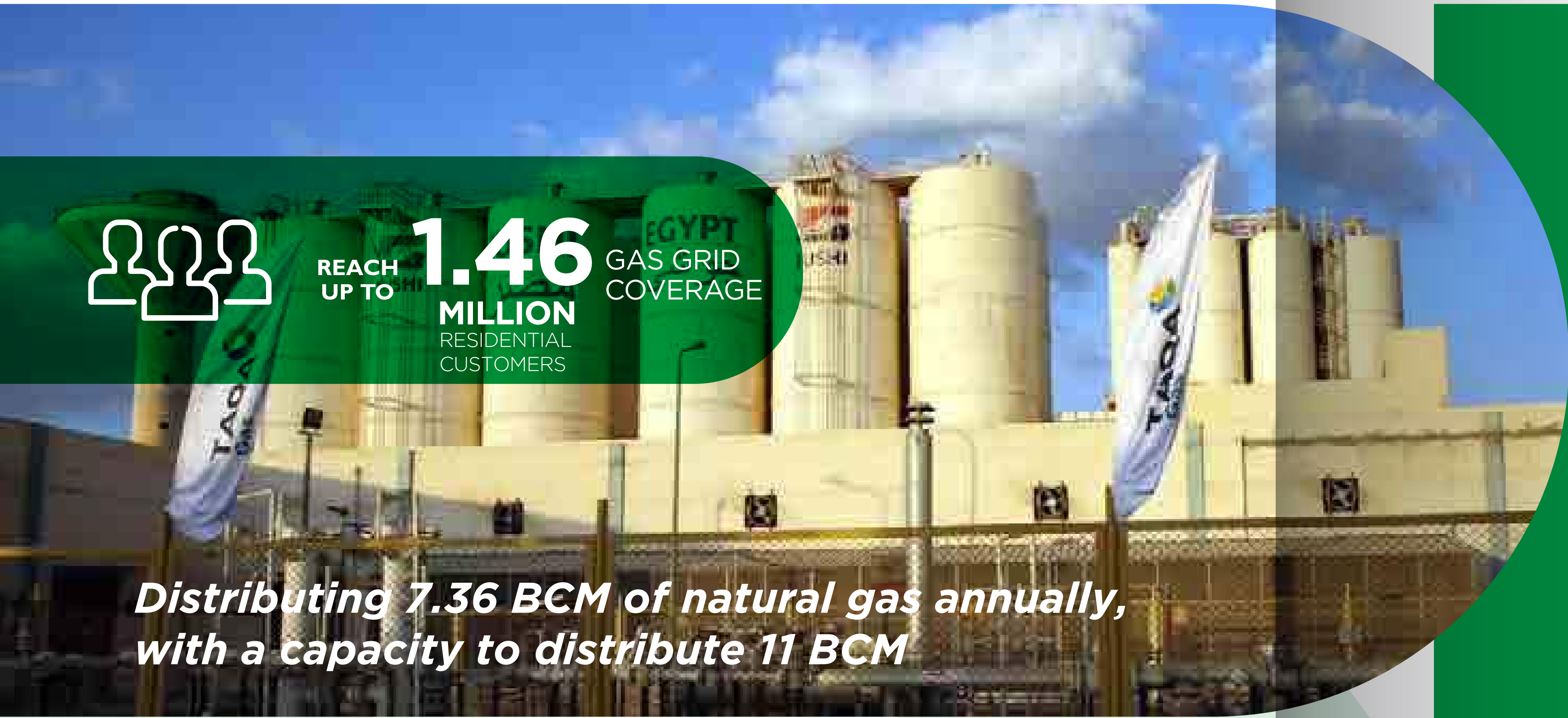


GAS ARM

Delivering the energy needs of more than 1.46 million Egyptians across 8 governates

TAQA Gas is a 100%-owned subsidiary of TAQA Arabia and oversees the company's 8 natural gas concessions, cascading into several distribution companies. In 2021, TAQA Gas was responsible for the transmission and distribution of natural gas to more than 1.46 million residential customers, 89 touristic compounds and hotels, and 313 industrial customers in 8 governates and 42 cities across Egypt, with other active major projects in the Middle East. In total, TAQA Gas distributes approximately 7.36 billion cubic meters of natural gas annually, with a capacity to distribute 11 billion cubic meters per year.

TAQA Gas provides the entire downstream value chain of natural gas projects, including surveys, engineering, procurement, construction, marketing & distribution, operations & maintenance, and billing & collections. This also includes the management and operation of natural gas filling stations (CNG stations) under the brand name Master Gas, as well as compressed natural gas (CNG Mobile Services) for clients in remote areas.



TRANSMISSION & DISTRIBUTION

TAQA Gas builds medium and high-pressure pipelines using both steel and polyethylene, leveraging vast experience in the development of gas transmission works. As part of the whole downstream gas value chain, TAQA Gas has successfully built a network of 430 pressure reduction stations, regulators with capacities of up to 210,000 cubic meters of natural gas per hour, and a network of pipes stretching more than 8.3 million meters and ranging from 2 to 32 inches in diameter. stretching more than 7 million meters in length and ranging from 32mm to 350mm inches in diameter.

Furthermore, TAQA Gas handles the technical assessment of projects, design analyzing, performing qualitative risk analysis, and determining techno-economic feasibility studies and environmental impact.

ENGINEERING

TAGA Gas is home to a fully-owned engineering company (EGUSCO), which is responsible for developing the designs for the external and internal networks as well as connections to the pressure reduction stations. Our internal team of experts brings more than 25 years of experience in the field of gas network engineering.

PROCUREMENT & CONSTRUCTION

The TAQA Gas procurement and construction division works to provide our projects with materials and equipment that meet the highest technical standards while staying within budget considerations. Our engineers, procurement specialists, and fitters design tailor-made solutions that our clients and international partners require.

FILLING STATIONS (MASTER GAS)

TAQA Gas owns and distributes compressed natural gas (CNG) for vehicles in cities throughout Egypt using stations under the brand name Master Gas. To date, there are approximately 59 Master Gas stations in Egypt, with plans to continue expansion currently underway.

In addition, our filling station sector also provides 17 natural gas conversion centers, providing private automobiles with the ability to access a cost-effective source of fuel that reduces overall pollution. In 2021, we converted approximately 31,500 vehicles.

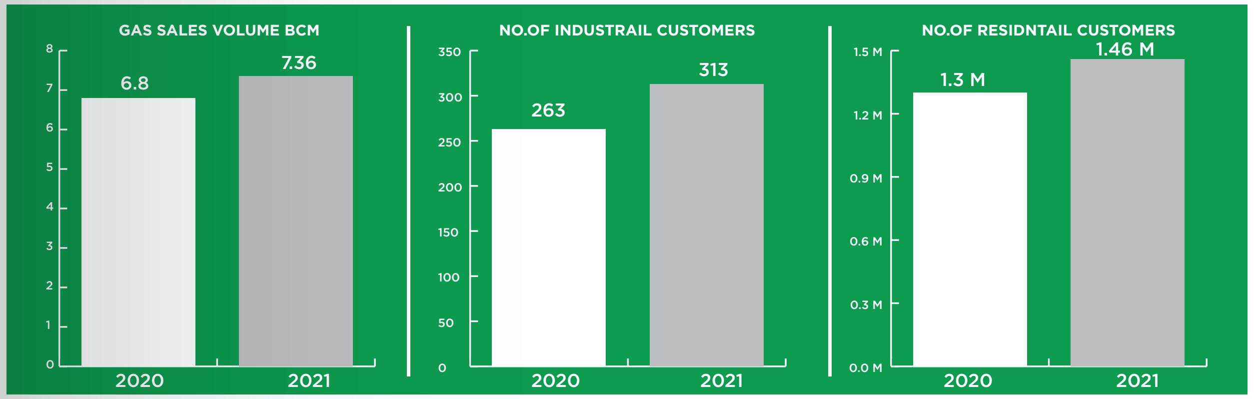
VIRTUAL PIPELINE PROJECT (MOBILE CNG)

For the first time in Africa and the Middle East, TAQA Gas has embarked on the creation of a new form of natural gas delivery. Serving remote areas such as touristic resorts and industrial clients that are not connected to the traditional grid, the virtual pipeline project includes the provision of compressed natural gas trucks that deliver gas directly to a client's Internal network. This project also looks to the future, allowing for easy integration into the national grid as it expands.

2021 HIGHLIGHTS

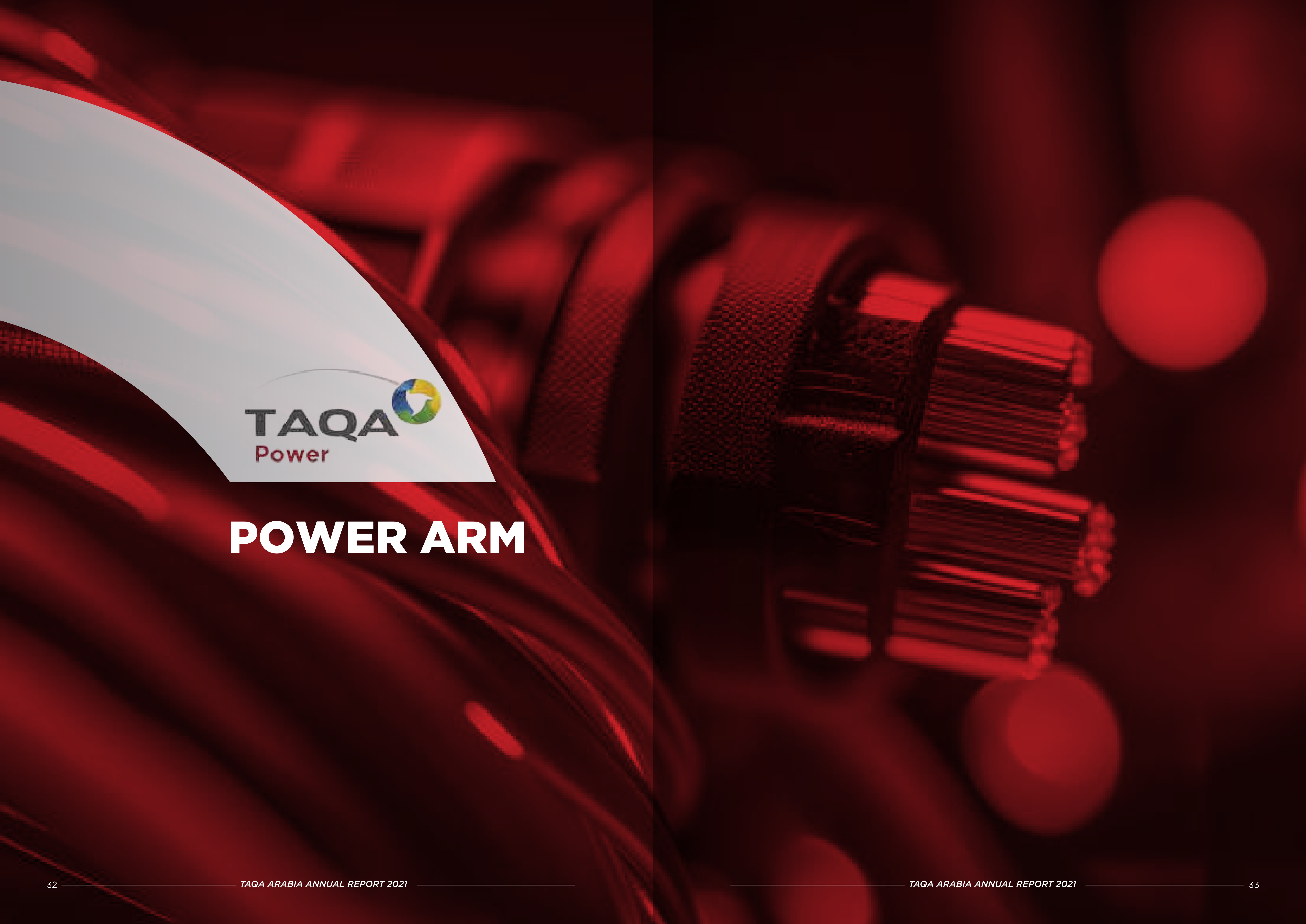
-Residential customers increased by 10.5% to reach 1.46 million across Egypt

-Industrial customers increased by 19% to reach a total of 313



GAS BUSINESS HISTORICAL RESULTS

	2020	2021
Gas Sales Volume BCM	6.8	7.36
No.of Operated Residentail Customers	1.3 M	1.46 M
No.of Operated Industrial Customers	263	313
NGV Converted Cars	242	31,500



POWER ARM

1126
MEGAWATTS
TOTAL DISTRIBUTION CAPACITY

407.5
MILLION EGP
GROSS PROFIT

A LEADING INTEGRATED PRIVATE POWER SECTOR PLAYER IN EGYPT

TAQA Power provides a full range of services, including the development, investment, construction, operation, maintenance, billing, and collection of conventional and renewable power generation and distribution projects. Supplying the agricultural, commercial, residential, and industrial tourism sectors across the country, TAQA Power capitalizes on its extensive experience to provide value to its customers.

In 2021, TAQA Power continued its process of growth and expansion, reaching a gross profit of 407.5 million EGP at the end of the year, representing a 24% growth rate over the last year's result of 329 million EGP.

During the year, the certifications of TAQA Power were evaluated by the external Russian Register auditors, who recommended the ongoing validity of the ISO certification for Quality Management Systems (ISO 9001:2015), the Environmental Management System (ISO 14001:2015), and the Safety Management System (ISO 45001:2018). In addition, the Egyptian Regulatory Authority has also renewed TAQA's electricity generation and distribution licenses, including defined geographical zones for TAQA Power projects.

TAQA Power

RESIDENTIAL & COMMERCIAL CUSTOMERS

10,000 +

TAQA Power provides a full range of services including development, investment, construction, operation, maintenance, billing & collection

POWER GENERATION

TAQA Power has invested in, designed, constructed, operated, and maintained more than 150 MW of conventional power plants and currently operates only 2 in operation with total capacity 18 MW

During the year, TAQA Power continued to support the excess power capacity from its E-Styrenics power generation plant in the Dekheila Port as well as the Alexandria and 6th of October industrial parks through the unified Egyptian electric grid. We also successfully continued providing a regular power supply for the following projects:

- Scimitar Oil Production Co. in the Red Sea region, using natural gas with a capacity of 6.2 MW

- The Egyptian Polystyrene Production Co. at the Dekheila Port, Alexandria using natural gas with a capacity of 12.15 MW

POWER DISTRIBUTION

TAQA Power is one of the leading private sector power distributors in Egypt, with substations offering a total capacity of more than 1126 MW that can be sold directly to clients. In addition, TAQA Power has signed several industrial generation projects and mixed-use distribution projects with major partners for contractual terms between 10 to 25 years. This includes the following developments:

1. One Ninety, New Cairo – Landmark Sabour
2. Etapa Square and Etapa Residential, Sheikh Zayed City – City Edge for Real Estate Development
3. AZAD, New Cairo – Mena Plaza
4. Secon (Jayd), Cairo – Saudi Egyptian Company
5. Tower Bay Resort & Spa, Sharm al Sheikh
6. Oriental Weavers, Ain al Sokhna
7. Oriental Weavers International, 10th of Ramadan City
8. CPC for Industrial Development, Sadat City

Finally, throughout the year, TAQA Power successfully continued to provide a 24/7 power supply for:

• 103 hotels and residential tourism projects in Nabq, Sharm El Sheikh, Red Sea, Egypt with a capacity of 100 MW spread over 27 million sqm.

• 8 hotels in the Taba Golden Coast tourism center, Taba, Red Sea, Egypt with a capacity of 11.6 MW covering an area of 4 sqm.

•282 factories in 6th of October City, Egypt, within a new 9 million sqm industrial park established by the Industrial Development Authority.

•10,321 residential / commercial customers in New Cairo concessions over an area of 8 million sqm, including:

o 6,096 customers across Nakhil, Kattameya Residence, Swan Lake, Porto Cairo and Porto Cairo Mall, Emeralds Mall, Maxim Mall, Marina City, Wady Degla and Smash schools and institutes

• 692 customers in Cairo Festival City

o 389 commercial outlets in Cairo Festival City Mall

• 39 customers in Palm Springs

• 64 customers in Mall of Arabia

• 534 commercial tenants in Mall of Arabia, 6th of October

• 1103 residential customers of Emaar-UpTown, Muqattam, Cairo, over an area of 4 million sqm.

• 106 commercial tenants in the Mall of Tanta

• 29 commercial tenants in Galleria 40, Shaykh Zayed City

• 35 commercial tenants in Mall Salam, Salam City

• 295 customers in Marasem, New Cairo

POWER BUSINESS HISTORICAL RESULTS

	Unit	2019	2020	2021
Sold Electricity	Million KWHR	1.292	1.178	1.257
Number of touristic / industrial customers	NO	316	358	393
Number of Residential / commercial customers	NO	6,279	7,376	10,321
Contracted capacity	MW	808	1,011	1,026

RENEWABLE ENERGY

TAQA Power is not only involved in the generation and distribution of energy through conventional sources but is also actively supporting the development of renewable energy in Egypt. As part of this commitment, TAQA Power is providing the Egyptian electricity transmission company with additional data if required about the Benban project. This project is currently under round 2 in the FIT (Feed-in Tariff) scheme.

TAQA Power is the lead developer for the Benban project, which is funded by a consortium led by the International Finance Corporation (IFC). This project holds the distinction of being the first to reach a commercial operation date (COD) in February 2019. It is the sole project located in the Benban Solar Park and has a capacity of 6 MWP (Megawatt peak).

The investment for the Benban project amounts to $4.5 million, and it has a projected lifespan of 25 years. The project off-taker is Dina Farms, a prominent player in the dairy, agriculture, and cattle industry. Dina Farms is the largest integrated dairy farm in Egypt and Africa, and its funding is provided by the European Bank for Reconstruction and Development (EBRD).

Through its involvement in the Benban project, TAQA Power is contributing to the growth of renewable energy in Egypt, diversifying the country's energy sources, and promoting sustainable development.

Commercial operation: Sep 2021

TAQA Petroleum

PETROLEUM ARM

TAQA Petroleum

TAQA Petroleum was established in 2008 to market petroleum products, including fuels and lubricants through a retail service stations network under the “TAQA” brand name across Egypt. By end of 2021, TAQA retail network reached 60 service stations across 19 Egyptian governorates selling more than 2500 tons Castrol lubricants.

TAQA Petroleum operates a state-of-the-art fuels storage terminal in Suez with storage capacity reaching up to 18MM liters of refined petroleum products.

5.499

BILLION EGP

GROSS SALES

EGYPT’S FIRST PRIVATE DISTRIBUTOR OF PETROLEUM PRODUCTS

FUEL STATIONS

TAQA Petroleum has been dedicated to becoming a major player in the Egyptian fuels market since its establishment in 2008. TAQA Petroleum has successfully streamed 60 retail service stations till end 2021 across Egypt in prime locations within Greater Cairo, Delta, Upper Egypt, the new roads network and on major highways, becoming one of the fastest growing companies in the Egyptian market.

TAQA stations provide one-stop full service offer to motorists through its well-stocked convenience stores offering some of the finest and most popular confectionaries, beverages, bakery and auto accessories. In addition to various automotive services such as car wash, lube change and tires repair utilizing specialized materials, latest technology and conducted by professional staff to ensure a full integrated premium offer to customers.

CASTROL LUBRICANTS

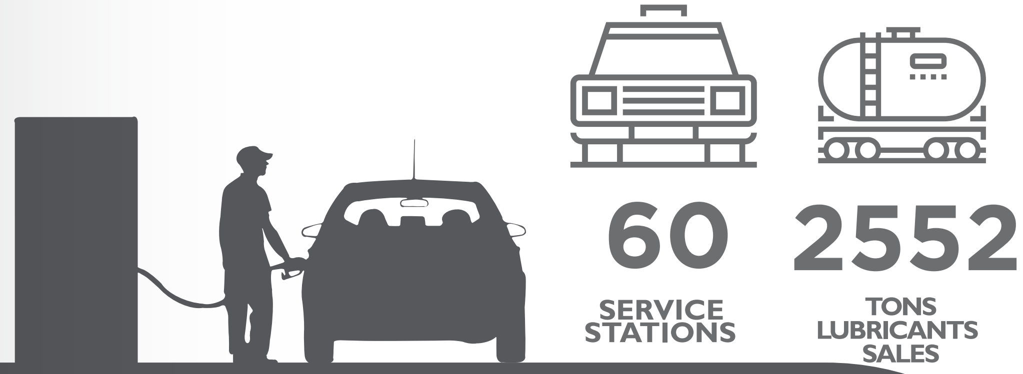
The successful partnership between TAQA and BP started in 2009 when TAQA Petroleum became the sole distributor of Castrol lubricants in the Egyptian market. This partnership evolved into a JV company “Castrol Egypt Lubricants” established in 2018 between TAQA Arabia and BP to produce some of the highest quality Castrol lubricants while TAQA Petroleum continues to be the sole distributor for Castrol lubricants in the Egyptian market throughout its retail stations network and specialized Castrol branded workshops. TAQA began local production of select Castrol products in Q4 2009.

Castrol current product range meets the demands of motorists across all classes with an extensive range of automotive engine oils, manual and automatic transmission fluids, and brake fluids. This is in addition to a selection of commercial diesel engine oils to cover the needs of fleets, owner operators and B2B segments.

STORAGE TERMINAL

TAQA Petroleum storage terminal provides fuels supply services for TAQA stations and other players in the Egyptian market. The terminal now services around 60 customers and 8 major oil marketing companies including COOP, NPCO (Wataneya), Chill Out, Nile Petroleum, OLA Energy and Emirates Misr. During 2021, Suez Terminal continued to provide high-value products and services to our customers and competitors alike, supporting the company’s sales and financial results following the successful performance of 2020.

Suez Terminal annual output during 2021 reached 1088 M liters, with a monthly average of 90.6 M liters compared to 2020, where the total output was 970 M liters with a

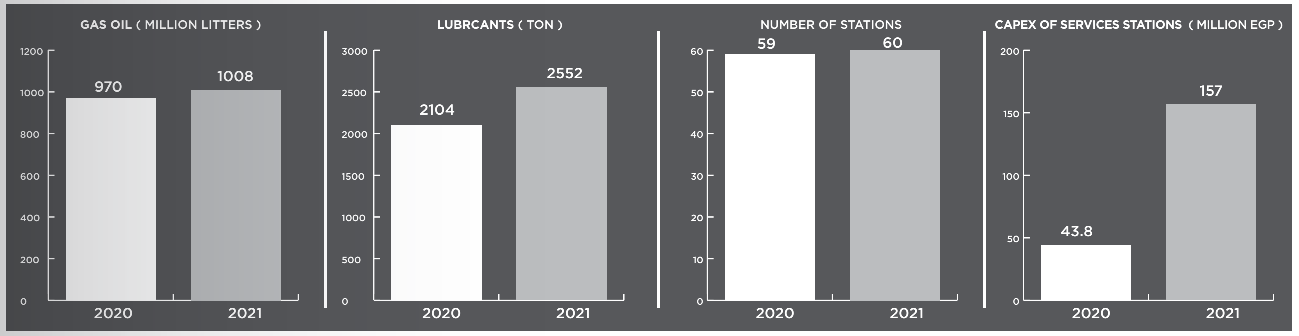


monthly average of 80.9 M liters. This resulted in achieving a total service income of 5.6 million EGP from servicing other marketing companies, which represents a significant increase of 44% from 2020.

During 2021, Suez Terminal has completed the upgrade projects of Tank # 3 maintenance and terminal concrete flooring. In addition to revamping the main pipeline receipt area with a total of 9 MLE.

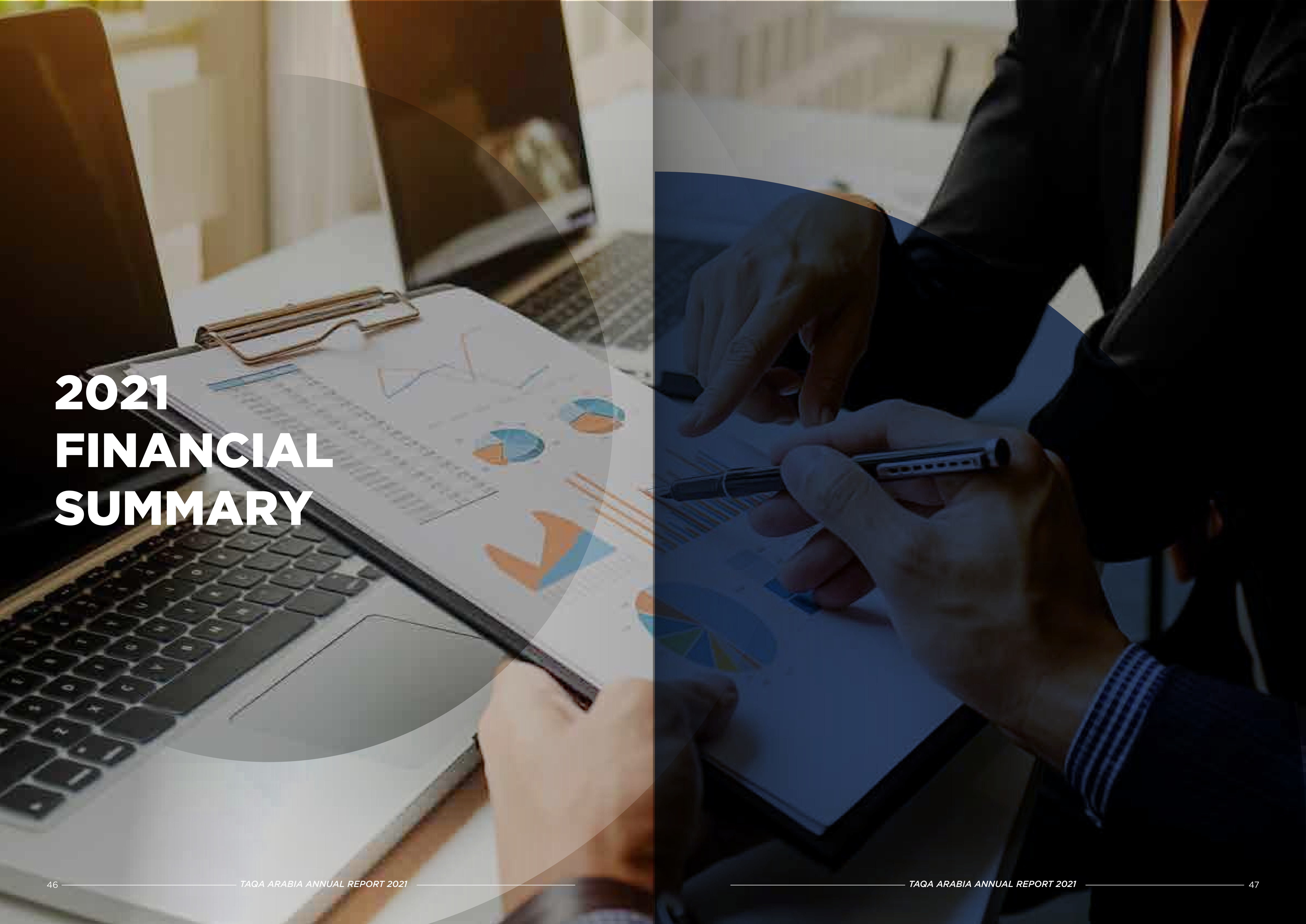
2021 HIGHLIGHTS

- NIAT 100.8 million EGP
- Gross sales revenues of 5,449 K million EGP which is in line with previous year
- Additional CAPEX in Service stations and Suez Terminal reached EGP 157 million in 2021



TAQA OIL MARKETING RESULTS 2021

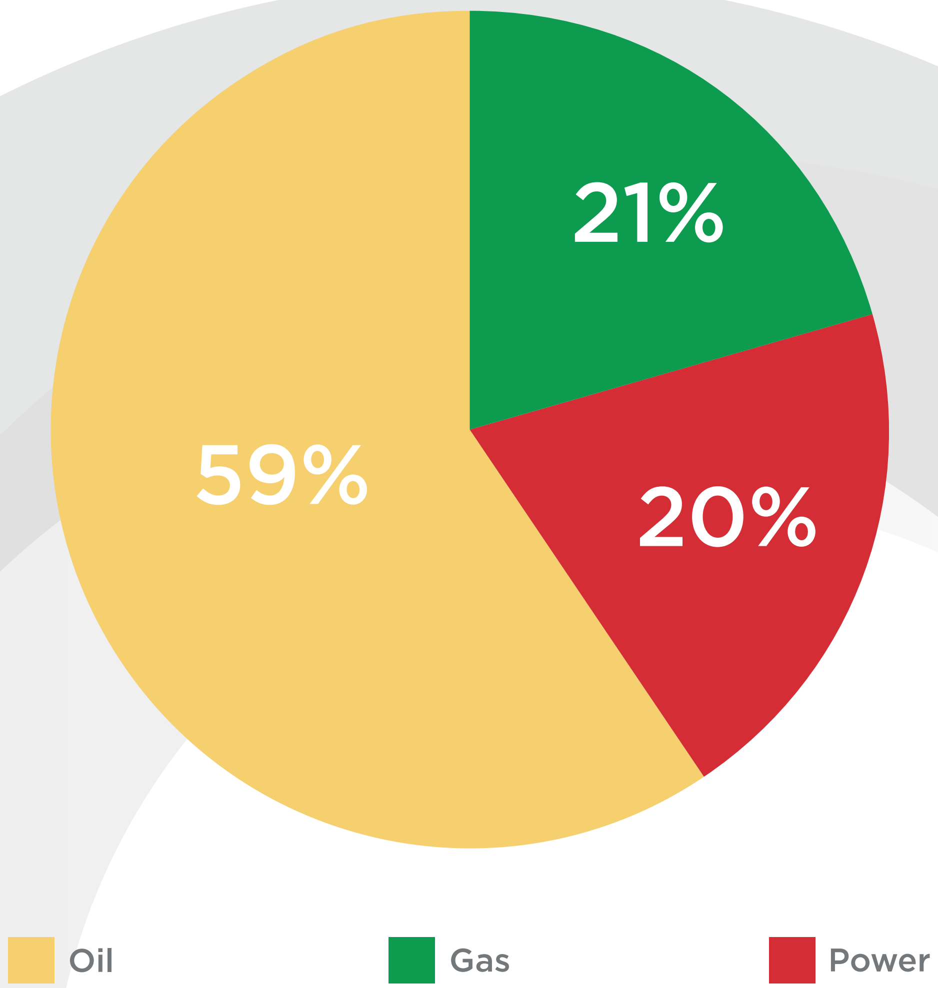
	Unit	2017	2018	2019	2020	2021
Number of stations	NO	42	47	55	59	60
Gas Oil	Million Letters	539.16	500	900	970	1008
Lubricants Tons	Ton	4,411	3,184	3,160	2,104	2552
Capex of services stations	Million EGP	3.1	35.3	55.4	43.8	157



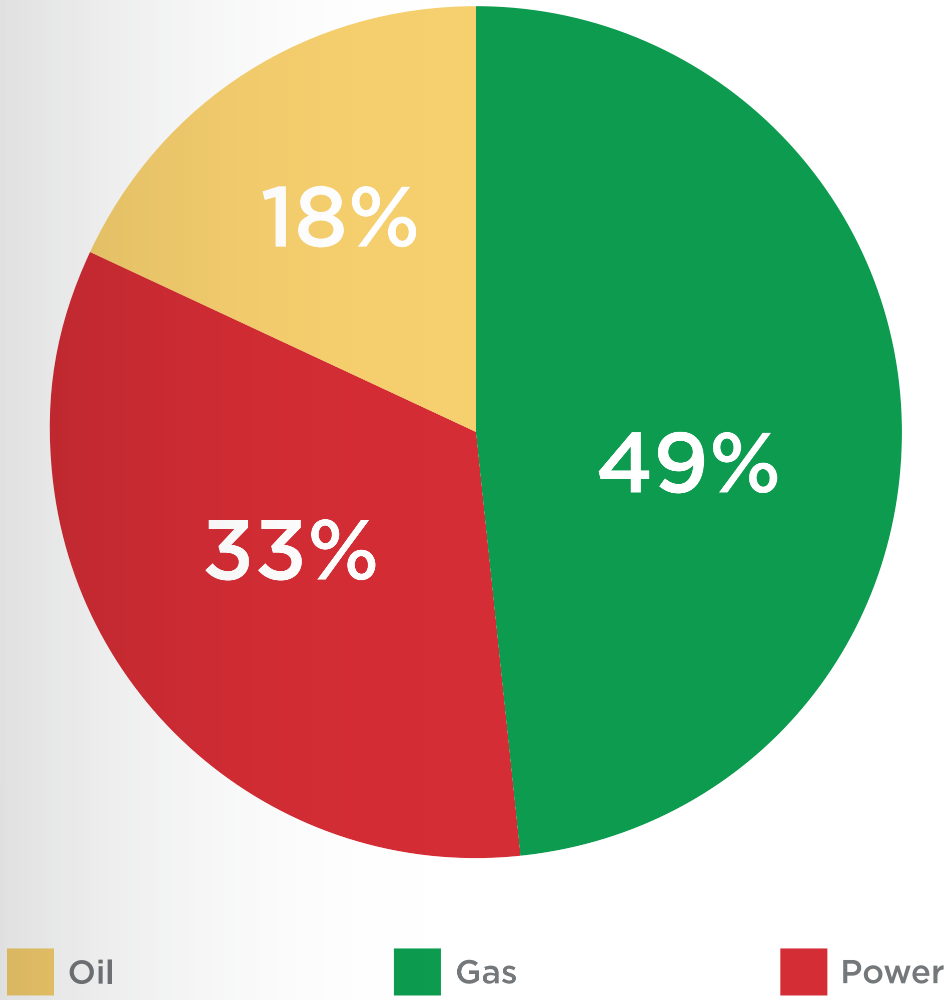
2021 FINANCIAL SUMMARY

Revenue & GP Split

Revenue EGP 9,102.0 M

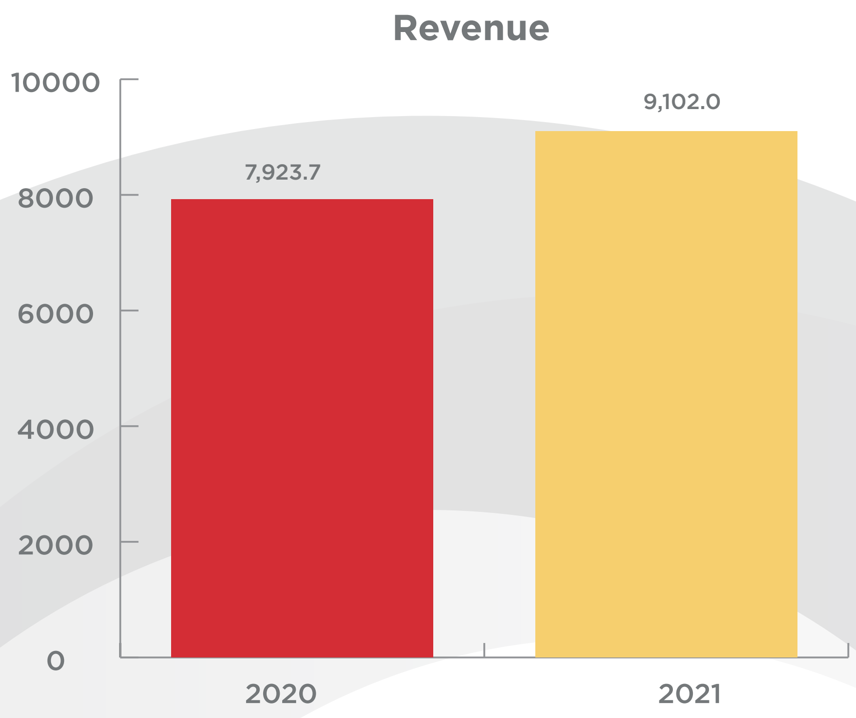


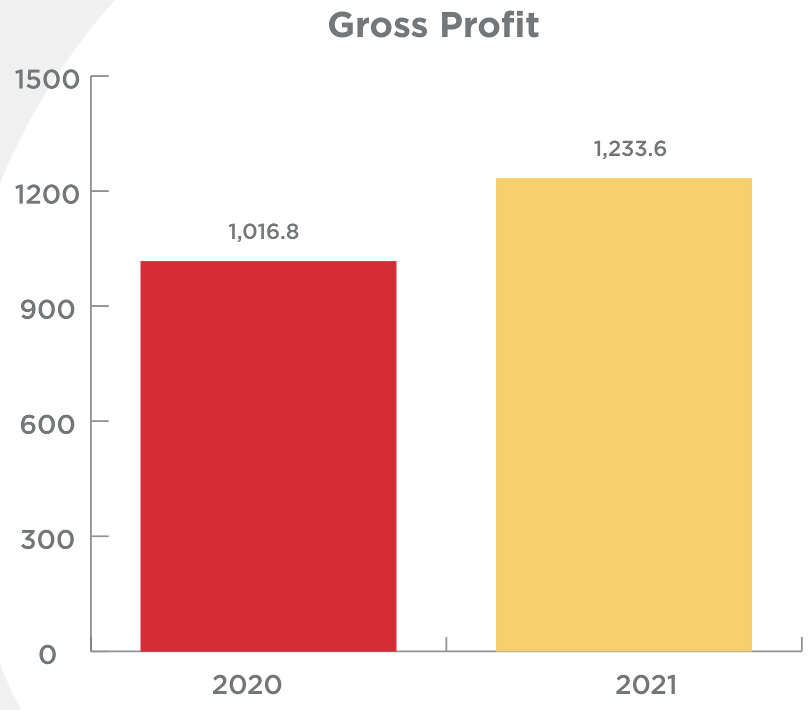
GP EGP 1,233.6 M

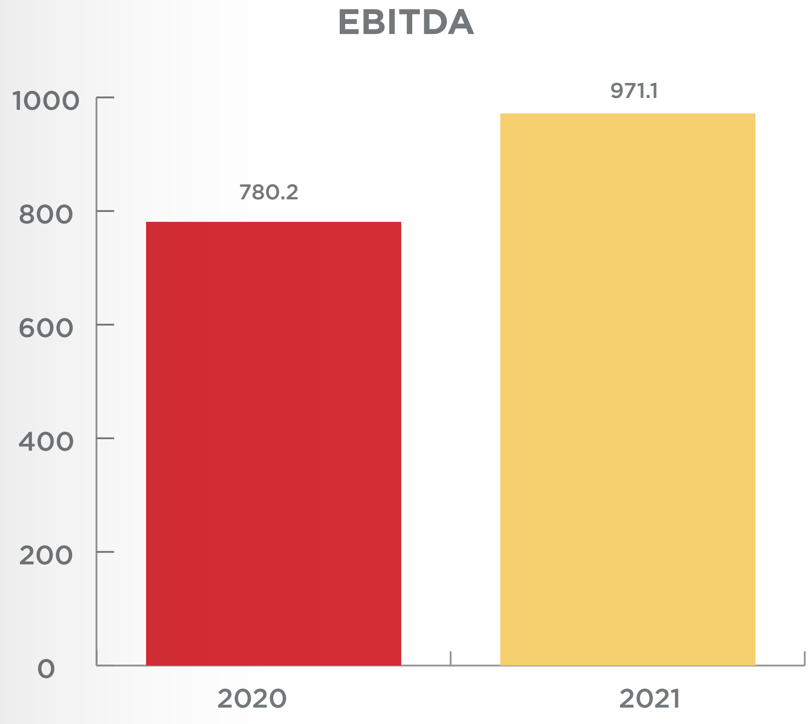


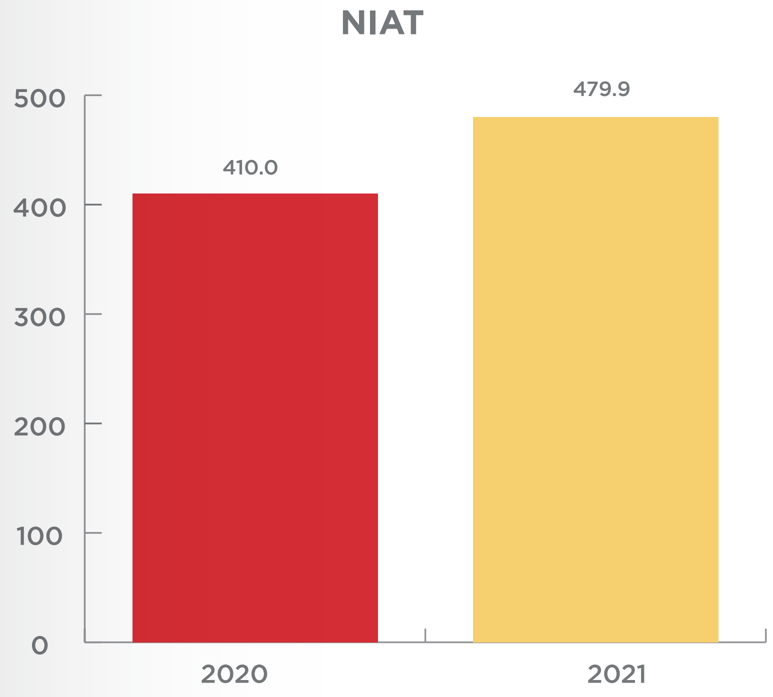
Asset	Revenue	%	Gross profit	%
Gas	1,899.9	21%	603.3	49%
Power	1,795.9	20%	413.8	34%
Oil	5,448.2	60%	224.7	18%
Other	(41.9)	0%	-8.2	-1%
Total	9,102.0		1,233.6	

Finanancial Results









FINANCIAL STATEMENTS

AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Contents

AUDITOR'S REPORT

To: The shareholders of TAQA Arabia Company (S.A.E.) AND Its Subsidiaries

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of TAQA Arabia Company and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws. Management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. 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 Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 these 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 TAQA Arabia Company and its subsidiaries as at

31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Wael Sakr

R.A.A. 26144

F.R.A. 381

22 February 2022

1.General information

TAQA Arabia Company S.A.E "the Company" was established under the provisions of Law No. 159 of 1981 and its executive regulations.

The registered office of the company is 2 Simon Bolivar Sq., Garden City, Cairo, Egypt.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The group is primarily involved in the following activities:

- Construct, manage, operate and maintain natural gas transmission and distribution lines.
- Construct, manage, operate and maintain power plants, electricity transformers and distribution networks.
- Construct, manage, operate and maintain water desalination stations, refineries, water purification, distribution networks, transmission lines, as well as pumping stations, processing and purification, sewage and industrial drainage grid.
- Distribute electricity, natural gas and water to the company or to third parties, subject to the provision of laws, regulations and decrees applicable licensing condition for the exercise of such activities.

The ultimate parent company for the group is Citadel Capital S.A.E. (Qalaa Holdings), which is the controlling party.

The Consolidated financial statements have been approved for issuance by the Board of Directors on 17 February 2022. The General Assembly meeting of shareholders has the right to amend the financial statements after its issuance.

2.Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A.Basis of preparation

The consolidated financial statements comprise the financial statements of TAQA Arabia Company (the Parent) and its subsidiaries listed below.

Name of subsidiary company	Origin country	Percentage of ownership	December 2021	December 2020
Investment in subsidiaries				
Gas and Energy Company "TAQA Gas" - SAE (Subsidiary)	Egypt	99.99 %	382,668,179	360,352,529
TAQA for Electricity, Water and Cooling - SAE (Subsidiary)	Egypt	99.99 %	162,197,500	162,197,500
TAQA for producing and distributing Electricity at free zones - SAE (Subsidiary)	Egypt	99.99 %	33,762,500	33,762,500
TAQA Arabia BV (Subsidiary)	Netherlands	100 %	159,299,990	159,299,990
TAQA for Marketing Petroleum Products - SAE (Subsidiary)	Egypt	99.99 %	51,000,000	51,000,000
International Company for Gas works (House gas) (Subsidiary)	Egypt	99,85 %	30,862,526	30,862,526
Pharaonic Gas Company – SAE (Subsidiary)	Egypt	99,99 %	16,455,865	16,455,865
Qatar Group for Gas - LLC *(Subsidiary)	Qatar	45 %	14,837,327	14,837,327
Master Gas Company (Subsidiary) - LLC	Egypt	56,7%	56,700,000	16,700,000
Arab Company for Gas Services – LLC *(Subsidiary)	Libya	49 %	11,038,773	11,038,773
TAQA Gas Services (Subsidiary)	Egypt	99,2 %	7,326,705	7,326,705
Gas and Energy Group Limited – LLC (Subsidiary)	B.V. I	100 %	1,231,723	1,231,723
TAQA for producing and distributing Electricity	Egypt	99.99%	500,000	500,000
Genco for Mechanical and Electricity Work - LLC(Subsidiary)	Qatar	100 %	320,880	320,880
TAQA Arabia PV for solar energy	Egypt	99.97 %	749,750	749,750
TAQA Arabia for solar power	Egypt	.000004%	10	10
TAQA for Water Desalination & Treatment	Egypt	99.98%	4,998,998	-
TAQA Arabia International Holding LTD	UAE	100 %	-	-
Investment in Associates				
Castrol Egypt (associate)	Egypt	49%	9,800,000	9,800,000

* TAQA Arabia Company has an effective control over these companies in accordance with the agreement with other shareholders.

** On January 2021 Nile valley Gas company, City Gas company and Repco Gas company have been merged with TAQA Gas company.

The Consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable laws and regulations in Egypt. The Consolidated financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities (including derivative instruments and financial assets at fair value thorough other comprehensive income) measured at fair value.

The Group presents its assets and liabilities in statement of financial position based on current/ non-current classification. The asset is classified as current when it is:

- Expected to be realised or intended to be sold or used in normal operating course;
- Held primarily for trading.
- Expected to be realised within 12 months after the end of the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The liability is classified as current when:

- It is expected to be settled in normal operating course;
- Held primarily for trading.
- Expected to be realized within 12 months after the end of the reporting period, or
- The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

The preparation of consolidated financial statements in conformity with EAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas, where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The EASs require the reference to the International Financial Reporting Standard (IFRSs) when there is no EAS, or legal requirements that explain the treatment of specific balances and transactions.

B.Basis of consolidation

(1)Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

i)Acquisition method

The Group applies the acquisition method to account for business combinations.

The consideration transferred in a business combination is measured at the fair value of the assets transferred and the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date.

In any business combination, the Group recognises any non-controlling interests in the subsidiary at the proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair

value at the acquisition date. Any gains or losses arising from such re-measurement are recognised within statement of profit or loss.

Inter-company assets, liabilities, equity, income, expenses and cash flows related to transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

ii) Changes in ownership interests held within controlling interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

iii) Disposal of subsidiaries

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

iv) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, and contingent liabilities at the date of acquisition.

If the consideration transferred, non-controlling interest in the acquiree and the date of acquisition fair value of the Group›s equity previously held at the acquiree is less than the net of the identifiable acquired assets and liabilities assumed at the date of acquisition, the Group recognise the resulting gain is directly recognised in consolidated statement of profit or loss at the date of acquisition and the gains are attributed to the parent shareholders.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group`s CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored inside the Group at the operating segments level.

The Group undertakes impairment reviews of goodwill acquired in a business combination. Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired by comparing its carrying amount including goodwill with its recoverable amount, which is the higher of fair value less costs of sale and value in use. The Group recognise any impairment loss immediately in profit or loss and is not subsequently reversed.

v) Measurement period

The measurement period is the year required for the Group to obtain the information needed for initial measurement of the items resulting from the acquisition of the subsidiary, and does not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, amendment is made retrospectively for the amounts recognised at the date of acquisition.

(2)Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between %20 and %50 of the voting rights in the associate.

i) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

iii) Losses of associates

When the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. When those companies realise profits in subsequent years, the Group resumes to recognise its share in those profits, but only after its share of profits equals its share in unrecognised losses.

iv)Transactions with associates

Profits and losses resulting from upstream and downstream transactions between the Group (including its subsidiaries) and the associates are recognised only to the extent of unrelated investor’s interests in the associate.

C.Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

The consolidated financial statements are presented in EGP.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss in the period in which these difference arise, except when currency exchange differences resulting from the translation of non-monetary item are deferred in other comprehensive income.

(3) Group companies

The results and financial positions of the Group's companies that have a functional currency different from the Group›s presentation currency, and their functional currency is not the currency of a hyperinflationary economy, are translated into the presentation currency of the consolidated financial statements as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of profit or loss presented are translated at average exchange rates during the year (unless there are fluctuations affecting exchange rates during the year, in which case the average exchange rate for that year is not considered appropriate, instead, the exchange rate prevailing at the dates of these transactions is used).
- All foreign currency differences are recognised as a separate item in other comprehensive income.

Exchange differences arising on translation of the net investment in foreign entities are recognised in other comprehensive income, as well as loans and financial instruments denominated in foreign currencies and allocated as investment hedges. When the investment in a foreign entity is disposed of, the foreign currency differences transferred to equity are recognised as part of the gain or loss of the investment disposal.

The Group treats any goodwill arising from the acquisition of a foreign activity, and any fair value adjustments to the carrying values of assets and liabilities arising from the acquisition of foreign activity, as assets and liabilities of the foreign activity - and they are thus reported in the functional currency of foreign activity and translated at the closing rate. All foreign currency differences are recognised in other comprehensive income.

D. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset and bringing it to a ready-for-use condition.

Subsequent costs, major overhauls, or renovations are included in the asset's carrying amount or recognised as a consolidated asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Major overhauls are depreciated using straight line method over the remaining useful life of the related asset or the estimated useful life of the overhaul, whichever is less. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Asset	Estimated useful lives in years
Buildings	20 -50
Buildings on lands leased from others	Contract period
Machinery & equipment	3 -5
Motor vehicles	3 -5
Furniture, office equipment & software	4 -10
Pipelines & stations equipment	15
Generators	20
Networks	25
Leasehold improvements	3-5 or the lease term, whichever is lower

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised within 'other (expense) / income – net' in the consolidated statement of profit or loss.

E. Intangible assets and goodwill

Recognition and measurement

Goodwill:

Arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets:

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when the intangible asset will increase the future economic benefits embodied in project, research, and development under construction which is recognised as intangible assets. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the (straight - line method) over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

F.Assets under construction

Assets under construction are stated at cost and transferred to property, plant and equipment when they meet all the fixed assets recognition conditions and ready for use. When the assets under construction cost exceed the value expected to be recoverable, it is reduced to the expected refundable cost and the difference is recoverable directly to the consolidated statement of profit and loss.

G. Impairment of non-financial asset

Non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group shall assess at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. and such reversal is recognised in the consolidated statement or profit or loss.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each financial period.

The impairment loss is reversed by the amount recognised in prior period when there is an indication that these losses may no longer exist or decreased, which should not exceed the carrying amount that would have been determined (net of depreciation) in recognizing this reversal in the consolidated statement of profit or loss.

H. Financial assets

(1) Recognition and measurement

Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

(2) Classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

(3) Classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment.

Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

(4) Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Debt instruments – treasury bills

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. According to the group business model the group subsequently measure debt instruments at amortised cost for Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Financial assets (continued)

(5) Impairment

The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts, for contract assets. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC, trade and other receivables, loans issued and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL.

For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains less losses on debt instruments at FVOCI.

For trade receivables, the group applies the simplified approach permitted by EAS 47, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Group did not change its business model during the current and comparative period and did not make any reclassifications.

Derecognition

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

I.Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes as well as movements on the hedging reserve in other comprehensive income are disclosed in (Note 26).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

Amounts accumulated in other comprehensive income are reclassified to profit or loss in the years when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps is recognised in the consolidated statement of profit or loss within 'finance costs'.

The gain or loss relating to the ineffective portion is recognised in the statement of profit or loss within 'other income/ (expenses) – net'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the consolidated statement of profit or loss within 'other gains/ (losses) – net'.

J.Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with EAS 28 provisions, contingent liabilities and contingent assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

K.Inventory

Raw materials finished goods and spare parts are stated at the lower of cost and net realizable value. Cost is determined on moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion; allowance is established for slow moving items on the basis of management's review and assessment of inventory movements.

L.Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

M.Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts.

N.Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

O.Employees' benefits

Profit sharing

According to Companies law, employees are entitled to a profit sharing according to the proposals made by the board of directors and subject to approval by the general assembly of shareholders. Profit sharing is recognised as a dividend distribution through equity and as a liability when approved by the shareholders.

Defined contribution plan

The Group 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 and its amendments. The Group's liability is confined to the amount of its contribution. Contributions are charged to the consolidated statement of profit and loss using the accrual basis of accounting.

P.Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Q.Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Group determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the year because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Group recognises other borrowing costs as expenses in the year the Group incurs such costs

R.Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The group recognises the necessary commitments for restructuring and non-related activities of the Group in the provision for restructuring costs.

Contingent liability is a present obligation that arises from past events but not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The contingent liabilities are disclosed only in the consolidated financial statement and not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the time value of money assumption is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

When it is expected to recharge some or all required expenditures to settle a provision to a third party outside the group, the group recognises the recoverable amount when its assured that the recovery will take place if the group settled the obligation. The recoverable amount is presented as consolidated asset in the consolidated statement of financial position, and the recoverable amount should not exceed the amount of the provision.

S.Share capital

Ordinary shares are classified as equity. Incremental costs (if any) directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

T.Current and deferred income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in owners› equity, in which case it is recognised directly in owners› equity

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Group operate and generate taxable income. Management annually evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial position. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

U.Revenue recognition

The Group recognizes revenue to depict the transfer of the control of the promised services or products to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services or products. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding discounts, rebates, customer returns and other sales taxes or duty.

The Group recognises revenue from contracts with customers based on a five-step model as set out in EAS 48:

1.Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. The Group accounts for all distinct goods or services as a separate performance obligation.

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

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue.

The Group has the following revenue streams:

- Revenue from Construction contracts;
- Revenue from Gas sales commission;
- Revenue from Cars conversion revenues;
- Revenue from Natural gas revenues
- Revenue from Refined oil and lubes revenues; and
- Revenue from Power service revenues.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a good or service to a customer at a point in time and over time.

Construction contracts

Revenue from construction contracts is recognised over the accounting period in which the service is rendered to the customers. The revenue relating to revenue from construction contracts is accounted for as a single performance obligation. As the satisfaction of this performance obligation not create an asset with an alternative use to the customer and the customer has an enforceable right to payment for performance completed to date, therefore, revenue is recognised over time.

Revenue from construction contracts is recognised in the consolidated statement of comprehensive income in according to the percentage of completion through calculating what is actually accomplished from the clauses of the contract to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably

The contract costs are measured through calculating what is spent from the clauses of contract for the stage in which the revenue is recognised. The contract costs include all direct costs from materials, labor, subcontractors and overheads related to the execution of contract clauses like indirect labor and maintenance expenses as it also includes the general and administrative expenses spent directly on the contracting works.

The provision for estimated losses according to the construction contracts in progress is formed, if any, in the financial period during which those losses are assessed.

Gas sales commission

Revenue from gas sales commission is recognised in the accounting period in which the gas is delivered to customers, where the group remits the funds it collects to EGPC net of its actual commission, which is calculated as a percentage of gas consumption. The revenue relating to gas sale commission is accounted for as a single performance obligation. The payment is due after transfer of the control. Therefore, revenue is recognised at point in time once the gas is transferred to the customer.

Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

Cars conversion revenues

Revenue from cars conversion is recognised in the accounting period in which the service is rendered upon the completion of preparing cars to function using natural gas. The revenue relating to cars conversion is accounted for as a single performance obligation. The payment is due after transfer of the control. Therefore, revenue is recognised at point in time once the conversion service is rendered to the customer.

Revenue recognition (continued)

Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

Natural gas revenues

Revenue from sale of natural gas is recognised in the accounting period in which the natural gas is supplied to the cars. The revenue relating to sale of natural gas is accounted for as a single performance obligation. The payment is due after transfer of the control. Therefore, revenue is recognised at point in time once the natural gas is transferred to the customer.

Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

Refined oil and lubes revenues

Revenue from sale of refined oil and lubes is recognised in the accounting period in which the refined oil and lubes are delivered to the wholesalers. The revenue relating to sale of refined oil and lubes are accounted for as a single performance obligation. The payment is due after transfer of the control. Therefore, revenue is recognised at point in time once the refined oil and lubes are transferred to the wholesalers.

Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

Power service revenues

Revenue from sale of power services through the generation and distribution of electricity is recognised in the accounting period in which the electricity is supplied to the customers. The revenue relating to sale of electricity is accounted for as a single performance obligation. The payment is due after transfer of the control. Therefore, revenue is recognised overtime once the electricity transferred to the customers.

Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

Construction contracts

Revenue from construction contracts is recognised in the consolidated statement of profit or loss according to the percentage of completion through calculating what is actually accomplished from the clauses of the contract.

The contract costs are measured through calculating what is spent from the clauses of contract for the stage in which the revenue is recognised. The contract costs include all direct costs from materials, labor,

Revenue recognition (continued)

subcontractors and overheads related to the execution of contract clauses like indirect labor and maintenance expenses as it also includes the general and administrative expenses spent directly on the contracting works.

The provision for estimated losses according to the construction contracts in progress is formed, if any, in the financial period during which those losses are assessed.

Gas sales commission

For actual gas sales, the company remits the funds it collects to EGPC net of its actual commission, which is calculated as a percentage of gas consumption.

Cars conversion revenues

Revenue is recognised upon the completion of preparing cars to function using natural gas instead of Benzene upon issuing the invoice to the client.

Natural gas revenues

Revenues is recognised when supplying cars with natural gas.

Refined oil and lubes revenues

Revenues is recognised when refined oil products and lubes products are delivered to the customers.

Power service revenues

Revenues of services is recognised when the conditions of the signed contracts are fulfilled with others on accrual basis and according to the specified period in the contracts.

V. Interest income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the group.

W. Dividends

Dividend income is recognised when the right to receive payment is established from non-Subsidiaries.

X. Dividend distribution

Dividend distribution is recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the Group's Ordinary General Assembly of Shareholders.

Y. Leases

The group leases various properties, rental contracts are typically made for fixed periods of 3 to 15 years lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

Leases (continued)

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- 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.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Z.Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held – for - sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

AA.Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group›s chief operating decision-maker (CODM). The executive committee is responsible for allocating resources and assessing performance of the operating segments.

The executive committee assesses the performance of the operating segments based on the total revenues / gross profit/ EBITDA/operating profit/ total assets of segment and the total liabilities. This measurement basis excludes discontinued operations. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the Group›s head office, which manages the cash flows and liquidity requirements.

3.Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including, foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The group's management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

The group's risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Egyptian pounds	Cash flow forecasting Sensitivity analysis	By local banks that the Company deals with in official rates
Market risk – interest rate	Long-term borrowing at variable rates	Sensitivity analysis	Investment in short treasury bills and interest rate swaps
Market risk – security prices	No investment in a quoted equity securities	Not applicable	Not applicable
Credit risk	Cash and cash equivalents, trade receivables, derivative financial and debt investments	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and governmental treasury bills
Liquidity risk	Loans and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(A)Derivatives

The Group uses derivative financial instruments to hedge certain risk exposures. Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating interest rate loans.

The Group has the following derivative financial instruments:

	2021	2020
Non-current (Liabilities)		
Interest rate swap contracts – cash flow hedge	(73,066,596)	(114,705,426)
Total non-current derivative financial instrument (Liabilities)	(73,066,596)	(114,705,426)

Financial risk management (continued)

i) Classification of derivatives

Derivatives are accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting year.

The Group's accounting policy for its cash flow hedges is set out in note (2.l).

All derivative financial instruments are represented in interest rate swaps which have maturities of more than twelve months and are classified within 'non-current liabilities.

ii)Hedge effectiveness

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, such as all or some future interest payments on variable rate debt or a highly probable forecast transaction and could affect profit or loss.

A hedge is normally regarded as highly effective if, at inception and throughout the life of the hedge, the enterprise can expect changes in the cash flows of the hedged item to be almost fully offset by the changes in the cash flows of the hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as, payment dates, maturities and notional amount. The Group does not hedge %100 of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was %100 effective.

In hedges of interest rate swap, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty. It may occur due to:

- The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- Differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during the year in relation to the interest rate swaps.

(B) Market risk

(i) Foreign exchange rates risk

The Group is exposed to foreign exchange rates risk arising from various foreign currency exposures primarily with respect to currencies other than EGP.

Foreign exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates.

The following analysis shows the foreign currencies position presented in Egyptian Pound at 31 December 2021 and 31 December 2020

	2021		2020	
	Assets	Liability	Net	Net
USD	148,991,748	(202,281,673)	(53,289,925)	87,558,646
Euro	3,070,905	(617,972)	2,452,933	(967,774)
GBP	16,553	(190,737)	(174,184)	(111,619)
AED	68,350	-	68,350	338,416
SAR	-	(1,157,262)	(1,157,262)	-

There is no significant impact on the group›s profits if the exchange rate of the Egyptian pound is strengthened or weakened by %10 against foreign currencies.

(ii) Price risk

The Group has no investments in a quoted equity security, so it's not exposed to the fair value risk due to changes in the prices.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from financial instruments issued at variable rates which expose the group to cash flow interest rate risk. During 31 December 2021 and 31 December 2020, the group's borrowings at variable rate were mainly denominated in Egyptian Pounds and US Dollars.

The Group's borrowings and receivables are carried at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for a year, based on the floating rate financial assets and financial liabilities held at 31 December 2021 and 31 December 2020.

	Increase / decrease in basis points	Effect on profit for the year EGP
31 December 2021 EGP	10%	16,328,563
31 December 2020 EGP	10%	14,398,453

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (Semi-annually), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

The exposure of the Group's borrowing to interest rate changes and the contractual at the end of the reporting year are as follows:

	2021	% of loans	2020	% of loans
Variable rate borrowings	1,220,805,288	68%	985,058,418	61.6%

An analysis by maturities is provided in note (3.D) below. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

The Group's income and operating cash flows are independent of changes in market interest rates. As the market dictates, the Group sometimes borrows at variable rates leaving certain exposure to changes in interest rate risk.

(C) Credit risk

Credit risk arises from cash and cash equivalents (excluding cash on hands), deposits with banks and financial institutions and contractual cash flows of debt investments carried at amortized cost and favorable derivative financial instruments as well as credit exposures to trade receivables and other debit balances and amounts due from related parties. The Group›s credit risk is managed as a whole, except for the credit risk related to the customers› account balances, as each of the Group›s companies manages and analyses the credit risk of their own customers.

Risk Management

For banks and financial institutions, only high-credit-quality and rating banks and financial institutions are dealt with and all banks under supervision of Central bank of Egypt (CBE).

For the new customers, their credit risk is analysed before standard payment and delivery terms and conditions are agreed with customers.

If trade receivables are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Credit limits are set for each customer based on internal and external credit limits in accordance with limits set by the board. The credit limits are regularly reviewed for each individual customer.

The classes within trade and other receivables do not contain impaired assets and are not past due.

Majority of the group' customers are existing customers (more than 6 months) with no history of defaults.

The group's investments in debt instruments are low risk investments, where for Treasury bills, the Group deals with government which are considered with a high credit rating (Egypt B+)

Security

There is security has been obtained by the group that can be called upon if the counterparty was in default.

Impaired of financial assets

The group has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables, and
- Debt investments carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of EAS 47, the identified impairment loss was immaterial.

Balances exposed to credit risks are as follows:

	2021	2020
Trade receivables and other debit balances	2,239,197,502	1,677,015,355
Cash on hand and at bank and highly liquid investment	5,001,836,592	2,081,696,399
Investments in treasury bills	695,489,281	953,300,269
	7,936,523,375	4,712,012,023

Trade receivables

The group applied the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for trade receivables:

31 December 2021	Carrying amount - trade receivables	Expected credit loss rate	Loss allowance
House Gas	1,257,224	26.06%	(300,754)
TAQA Gas Services	8,162,702	3.43%	(280,072)
TAQA Gas	163,196,363	3.46%	(5,644,529)
Trans Gas	30,686,230	0.98%	(299,546)
Master Gas	23,247,545	20.42%	(4,746,682)
Qatar Gas Group Limited	49,598,771	16.9%	(8,374,473)
Global for Energy	480,205,165	7.9%	(37,936,873)
TAQA for industrial zone	26,383,163	16.39%	(4,323,345)
TAQA Arabia for solar energy	23,367,918	0.73%	(171,085)
TAQA for Marketing Petroleum Products	34,453,583	0%	-
	840,558,664		(62,077,359)

31 December 2020	Carrying amount - trade receivables	Expected credit loss rate	Loss allowance
House Gas	3,917,824	7.68%	300,754
TAQA Gas Services	8,616,534	3.25%	103,631
City Gas	21,074,620	6.36%	665,202
Repco Gas	3,879,525	3.38%	54,536
Trans Gas	38,503,136	0.78%	7,865
Master Gas	15,092,048	20.92%	2,459,733
Nile Valley Gas	34,148,923	8.79%	1,603,072
Qatar Gas Group Limited	68,516,856	15.36%	8,737,018
Global for Energy	470,396,290	8.06%	32,936,873
TAQA for industrial zone	54,400,721	9.10%	9,143,937
TAQA Arabia for solar energy	23,672,976	0.76%	176,695
TAQA for Marketing Petroleum Products	19,693,087	0.52%	102,208
	761,912,540		(62,211,294)

The closing loss allowances for trade receivables as at 31 December 2021 reconcile to the opening loss allowances as follows:

	2021
Opening loss allowance as at 1 January 2021	62,211,294
Allowance no longer required	(133,935)
Balance	62,077,359

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period predetermined by the group.

Impairment losses on trade receivables is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments (treasury bills)

All of the Group's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses.

	2021	2020
Investment in treasury bills more than 3 months	695,489,281	953,300,269
loss allowances for treasury bills	(1,297,458)	(14,757,088)
	694,191,823	938,543,181
Investments in treasury bills less than 3 months	3,944,079,748	724,093,138
loss allowances for treasury bills	(16,768,062)	(2,204,838)
	3,927,311,686	721,888,300

The closing loss allowances for treasury bills as at 31 December 2021 reconcile to the opening loss allowances as follows:

	2021
Opening loss allowance as at 1 January 2021	16,961,926
Allowance formed during the year	1,103,594
Balance	18,065,520

(D) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities, and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

31 December 2021	Less than six months	6 months to 1 year	1-2 Years	More than 2 years
Non derivatives				
Trade payables and other credit balances	2,924,445,640	-	-	360,653,736
Due to related parties	37,378,871	-	-	-
Borrowings	96,893,110	115,990,080	220,475,933	1,364,116,135
Future interest payments	70,252,764	66,792,456	178,599,384	528,270,972
Bank facilities	4,131,012,473	-	-	-
Lease liability	26,757,600	14,646,359	55,237,829	411,815,050
Financial guarantee less likely to be paid *	383,025,414	-	-	-

31 December 2020	Less than six months	6 months to 1 year	1-2 Years	More than 2 years
Non derivatives				
Trade payables and other credit balances	2,643,783,810	-	-	393,207,824
Due to related parties	19,315,133	-	-	-
Borrowings	64,687,696	77,721,819	158,420,748	1,309,419,001
Future interest payments	45,530,830	47,231,317	116,588,549	519,010,296
Bank facilities	1,153,812,764	-	-	-
Lease liability	10,708,808	12,236,874	43,674,812	281,203,034
Financial guarantee less likely to be paid*	383,025,414	-	-	-

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the financial statements. The Groups also aims to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Group›s debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and bank overdrafts less cash and bank balances. The total share capital comprises the amount of equity and net loans.

Net debt to total capital ratio

Net debt to total capital ratio (gearing ratios) as at 31 December 2021 and 31 December 2020 were as follows:

	2021	2020
Total borrowings		
Borrowings	1,797,475,258	1,610,249,264
Bank facilities	4,131,012,473	1,153,812,764
Total borrowings	**5,928,487,731**	**2,764,062,028**
Less: Cash on hand and at bank and highly liquid investment	(4,984,964,775)	(2,079,387,806)
Less: investment in treasury bills	(694,191,823)	(938,543,181)
Net debt	**249,331,133**	**(253,868,959)**
Total equity	1,791,709,520	1,638,329,873
Total capital	**2,041,040,653**	**1,384,460,914**
Gearing ratio	**12.2%**	**1**

Capital management.

The Group manages its capital through the composition of net debt and total equity.

Debt covenants

The Group is required to comply with certain financial covenants (note17) for bank loan facilities and as at the consolidated statement of financial position date the group has complied with these covenants.

Financial risk management (continued)

(2)Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Group should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Group does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Group takes into consideration all information reasonably available.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards.

The following table presents the Group's financial instruments at 31 December 2021:

Financial assets at fair value

	Level 3	Total
Financial assets at fair value through other comprehensive income (Note.13)	51,261,460	51,261,460

Financial liabilities at fair value

	Level 2	Total
Hedging derivatives - Interest rate swaps (Note.22)	(73,066,596)	(73,066,596)

Financial risk management (continued)

The following table presents the Group's financial instruments at 31 December 2020:

Financial assets at fair value

	Level 3	Total
Financial assets at fair value through other comprehensive income (Note.13)	51,261,460	51,261,460

Financial liabilities at fair value

	Level 2	Total
Hedging derivatives - Interest rate swaps (Note.22)	(114,705,426)	(114,705,426)

Financial liabilities at fair value

Financial instruments represented in interest rate swaps are not traded in an active market, accordingly their fair value is determined by using valuation techniques.

a)Valuation techniques used to determine fair values

These valuation techniques maximize the use of observable market data where it is available; and rely as little as possible on the Group's specific estimates.

If all significant inputs required to measure the fair value of the instrument are observable, the instrument is included in Level 2, otherwise it is included under Level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

The fair value for available for sale (level 3) has been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

b) Valuation inputs and relationships to fair value

The following table summaries the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at 2021	Fair value at 2020	Un-observable inputs
Financial assets at fair value through other comprehensive income	51,261,460	51,261,460	DCF

c) Valuation processes

- The finance department of relevant subsidiary includes a team that performs the valuations on quarterly basis. The finance department places a partial reliance on experts in the valuation of hedging derivatives.
- The main level 3 inputs used by the group are derived and evaluated as follows:
- Risk rate adjustment specific to the company is derived from the assessment of one-year default probability.

d) Sensitivity analysis

Financial assets at fair value through other comprehensive income

There is no significant impact on the group›s profits if the discount rate was lower or higher by %10 from management's estimates.

4.Critical accounting estimates and adjustments

Estimates and adjustments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(1)Accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a) Impairment in goodwill

The Group tests annually whether it is probable that goodwill may suffer any impairment in value, based on the recoverable amount for the cash generating unit which estimated by calculating value in use using net estimated cash flows before taxes based on approved budgets from the Group management during next five years. Group management determines assumptions related to discount rates and cash flow forecasting based on sales growth, operating costs, estimated profits. Taking into consideration capital expenditures for future renewable plans

b) Expected credit losses for trade receivables

The group applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets (3.C)

c) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. This involves judgment regarding the future financial performance of the Group.

Management analyzes the Company's business plan and its taxable/ deductible temporary differences in conjunction with the requirements of EAS 24 to identify the need to recognize a deferred tax asset or deferred tax liability.

d) Provisions

Provisions are related to claims expected to be made by third parties in connection with the Group's operations. Provisions is recognised based on management study and in-light of its advisors opinion and shall be used for its intended purposes.
In case of any differences between the actual claims received and the preliminary recorded amounts, such differences will affect the year in which these differences are occurred.

(2)Critical Judgements in applying the Group accounting policies

In general, applying the Group accounting policies does not require judgments (apart from those involving estimates, refer to Note 1-4) that have significant effects on the amounts recognised in the consolidated financial statements.

5.Property, plant and equipment

	Land	Building	Leasehold	Machinery & Equipment	Motor vehicles	Furniture, office equipment, & computer	Generators, networks & pipelines, & station equipment	Solar power plant	Total
At 1 January 2020									
Cost	10,470,621	178,083,759	24,094,782	144,455,356	36,328,627	48,966,227	554,363,307	1,043,668,356	2,040,431,035
Accumulated Depreciation	-	(50,382,438)	(14,110,316)	(62,593,882)	(25,701,446)	(33,774,703)	(219,578,164)	(34,788,946)	(440,929,895)
Net book value	10,470,621	127,701,321	9,984,466	81,861,474	10,627,181	15,191,524	334,785,143	1,008,879,410	1,599,501,140
Year ended 31 December 2020									
Opening net book value	10,470,621	127,701,321	9,984,466	81,861,474	10,627,181	15,191,524	334,785,143	1,008,879,410	1,599,501,140
Additions	-	27,344,024	30,248,291	16,894,143	3,036,500	7,692,127	110,421,856	30,205,413	225,842,354
Depreciation charge	-	(9,552,399)	(3,046,184)	(14,567,164)	(3,718,266)	(6,931,343)	(37,782,604)	(42,224,483)	(117,822,443)
Disposals	-	(84,237)	(23,848)	(149,697)	-	(25,952)	(11,811,406)	-	(12,095,140)
Accumulated depreciation of disposals	-	30,822	23,848	74,387	-	20,531	4,717,707	-	4,867,295
Translation difference of cost	-	-	(1,076)	(44,342)	(27,246)	(28,090)	-	(21,670,168)	(21,770,922)
Translation difference of depreciation	-	-	-	38,940	19,295	17,749	-	2,024,782	2,100,766
Closing net book value	10,470,621	145,439,531	37,185,497	84,107,741	9,937,464	15,936,546	400,330,696	977,214,954	1,680,623,050
At 31 December 2020									
Cost	10,470,621	205,343,546	54,318,149	161,155,460	39,337,881	56,604,312	652,973,757	1,052,203,601	2,232,407,327
Accumulated Depreciation	-	(59,904,015)	(17,132,652)	(77,047,719)	(29,400,417)	(40,667,766)	(252,643,061)	(74,988,647)	(551,784,277)
Net book value	10,470,621	145,439,531	37,185,497	84,107,741	9,937,464	15,936,546	400,330,696	977,214,954	1,680,623,050
Year ended 31 December 2021									
Opening net book value	10,470,621	145,439,531	37,185,497	84,107,741	9,937,464	15,936,546	400,330,696	977,214,954	1,680,623,050
Additions	-	134,292,376	115,653,768	173,149,007	17,654,400	9,326,922	343,098,931	-	793,175,404
Depreciation charge	-	(11,890,008)	(9,280,852)	(19,853,613)	(4,980,822)	(7,713,648)	(48,069,428)	(44,386,774)	(146,175,145)
Disposals	-	(1,055,480)	(37,985)	(1,868,255)	(1,838,540)	(17,656)	(14,148,150)	-	(18,966,066)
Accumulated depreciation of disposals	-	423,494	20,692	1,084,055	1,748,607	17,656	9,434,206	-	12,728,710
Translation difference of cost	-	(1,052,820)	(51)	(63,125)	(38,321)	(33,923)	-	-	(1,188,240)
Translation difference of depreciation	-	94,470	32	52,761	37,138	24,198	-	2,546,973	2,755,572
Closing net book value	10,470,621	266,251,563	143,541,101	236,608,571	22,519,926	17,540,095	690,646,255	935,375,153	2,322,953,285
At 31 December 2021									
Cost	10,470,621	337,527,622	169,933,881	332,373,087	55,115,420	65,879,655	981,924,538	1,052,203,601	3,005,428,425
Accumulated Depreciation	-	(71,276,059)	(26,392,780)	(95,764,516)	(32,595,494)	(48,339,560)	(291,278,283)	(116,828,448)	(682,475,140)
Net book value	10,470,621	266,251,563	143,541,101	236,608,571	22,519,926	17,540,095	690,646,255	935,375,153	2,322,953,285

Property, plant and equipment (continued)

Depreciation expense is allocated in the consolidated statement of profit or loss, as follows:

	2021	2020
Cost of sales	140,582,939	111,082,476
General and administration expenses	5,592,206	6,739,967
	146,175,145	117,822,443

6. Assets under construction

	2021	2020
Power stations	2,971,162	411,074,888
Fuel stations	203,803,844	71,284,724
CNG stations	99,901,466	64,072,122
Water Station	2,344,731	-
IT equipment and others	1,955,713	1,602,363
	310,976,916	548,034,097

The below table shows the movement of projects under construction during the year:

	2021	2020
Balance as at 1 January	548,034,097	282,350,195
Additions during the year	469,450,213	452,693,825
Transferred to fixed assets	(702,174,778)	(184,616,917)
Transferred to intangible assets	(4,332,616)	(1,203,328)
Adjustments	-	(1,189,678)
Balance at end of the year	310,976,916	548,034,097

7. Intangible assets

	Balance
Cost at 1 January 2019	15,666,831
Additions	13,741,104
Accumulated amortization	(5,324,389)
Net Book Value as at 31 December 2019 and 1 January 2020	**24,083,546**
Additions	1,203,328
amortization	(5,108,067)
Net book value 31 December 2020 and 1 January 2021	**20,178,807**
Additions	4,944,876
Amortization	(4,576,539)
Net book value 31 December 2021	**20,547,144**

Intangible assets (continued)

Amortization expense is allocated in the consolidated statement of profit or loss, as follows:

	2021	2020
Cost of sales	954,630	529,905
General and administrative expenses	3,621,909	4,578,162
	4,576,539	5,108,067

8.Goodwill

Goodwill arising on the acquisition of the following companies:

	2021	2020
Gas and Energy Company (TAQA Gas) *	314,649,020	197,610,943
Global Energy Company (Subsidiary of TAQA Electricity, Water and Cooling)	56,073,463	56,073,463
Qatar Gas Group	15,489,459	15,489,459
Trans Gas (Subsidiary of TAQA Gas)	5,648,763	5,648,763
House Gas (Subsidiary of TAQA Gas)	673,508	673,508
Master Gas (Subsidiary of TAQA Gas)	566,471	566,471
City Gas Company (Subsidiary of TAQA Gas) *	-	12,364,500
Nile Valley Gas (Subsidiary of TAQA Gas) *	-	98,690,816
Repco Gas (Subsidiary of TAQA Gas) *	-	5,982,761
	393,100,684	393,100,684

* During 2021 City Gas that was registered in commercial register under number 513, Nile Valley Gas that was registered in commercial register under number 34689 and Repco Gas that was registered in commercial register under number 99360 have been merged with TAQA Gas that was registered in commercial register under number 1280 and this merge has been approved in the commercial register in 10 January 2021.

Impairment

The Group test the Goodwill impairment based on recoverable amount of cash-generating unit, which is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of five years maximum. The management determines the specific assumptions of cash flow forecasts based on past experience and expectations of the market.

Goodwill (continued)

Goodwill Impairment Test

Goodwill is allocated to cash-generating units (CGUs, which represent the lowest level within the Group at which the goodwill is monitored by management which is the level of the operating segment) as follows:

	2021	2020
Gas and Energy Company (TAQA Gas) *	314,649,020	197,610,943
Global Energy Company (Subsidiary of TAQA Electricity, Water and Cooling)	56,073,463	56,073,463
Qatar Gas Group	15,489,459	15,489,459
Trans Gas (Subsidiary of TAQA Gas)	5,648,763	5,648,763
House Gas (Subsidiary of TAQA Gas)	673,508	673,508
Master Gas (Subsidiary of TAQA Gas)	566,471	566,471
City Gas Company (Subsidiary of TAQA Gas) *	-	98,690,816
Nile Valley Gas (Subsidiary of TAQA Gas) *	-	12,364,500
Repco Gas (Subsidiary of TAQA Gas) *	-	5,982,761
	393,100,684	393,100,684

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

	Gas and Energy Company (TAQA Gas)	Global Energy Company (Subsidiary of TAQA Electricity, Water and Cooling)	Trans Gas (Subsidiary of TAQA Gas)	Qatar Gas Group
31 December 2021				
Growth rate beyond five years	3%	3%	3%	3%
Pre-tax discount rate	14.84%	14.11%	15.15%	8.61%

Growth rate: represent the average growth rate used to extrapolate the cash flows beyond the budget period. The growth rates are consistent with the forecast of the industry's reports.

Pre-tax discount rate: A weighted-average cost of capital was applied specific to each CGU as a hurdle rate to discount cash flows. The discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

Sensitivity to the changes in the assumptions:

Management believe that no reasonable change in any of the above key assumptions (growth rate, and discount rate) would cause the carrying value of the CGU including goodwill to materially exceed its recoverable amount.

9. Subsidiaries financial highlights

Below is the main financial information of the subsidiaries at 31 December 2021 and 31 December 2020:

31 December 2021	Assets	Total equity	Revenue	Net profit (loss)
Gas and Energy Company "TAQA Gas" - SAE (Subsidiary)	2,288,935,276	221,405,702	1,254,988,960	280,907,596
TAQA for Electricity, Water and Cooling - SAE (Subsidiary)	238,222,992	213,680,641	-	(673,744)
TAQA Arabia BV(Subsidiary)	159,300,771	156,947,681	-	(594,619)
TAQA for Marketing Petroleum Products - SAE (Subsidiary)	1,055,568,591	146,717,004	5,448,151,733	100,826,874
Gas and Energy Group Limited – LLC(Subsidiary)	9,628,357	(223,482,513)	-	(32,128,819)
joint Libyan-Egyptian gas company	3,810,000	3,348,628	-	-
International Company for Gas works (House gas) (Subsidiary)	231,503,198	49,068,351	229,490,312	11,164,478
Pharaonic Gas Company – SAE(Subsidiary)	11,567,020	8,523,384	-	(294,156)
Qatar Group for Gas - LLC *(Subsidiary)	138,884,008	29,528,668	181,624,524	23,871,592
TAQA for Water Desalination & Treatment (Subsidiary)	6,961,401	5,668,576	-	(6,831,424)
Arab Company for Gas Services – LLC *(Subsidiary)	26,993,177	24,470,250	-	-
TAQA Gas Services (Subsidiary)	30,415,959	16,711,611	51,126,567	5,540,177
TAQA Arabia for Solar Power	1,168,344,292	241,782,392	169,827,310	28,144,331
TAQA for producing and distributing Electricity at free zones - SAE (Subsidiary	34,700,000	33,244,876	-	(517,624)
TAQA Arabia PV for solar energy	75,943,829	2,232,027	1,610,395	732,027
TAQA for producing and distributing Electricity	4,225,758	551,030	506,613	51,030

31 December 2020	Assets	Total equity	Revenue	Net profit (loss)
Gas and Energy Company "TAQA Gas" - SAE (Subsidiary)	635,880,800	228,842,353	82,129,038	51,800,087
TAQA for Electricity, Water and Cooling - SAE (Subsidiary)	273,401,112	248,963,864	-	(667,842)
TAQA Arabia BV(Subsidiary)	159,299,988	157,540,332	-	(642,201)
TAQA for Marketing Petroleum Products - SAE (Subsidiary)	891,965,669	146,109,479	4,840,103,580	93,515,886
Gas and Energy Group Limited – LLC(Subsidiary)	3,665,859	(200,353,694)	-	(7,300,000)
International Company for Gas works (House gas) (Subsidiary)	192,429,100	41,898,530	260,923,053	17,306,409
Nile Valley Gas Company (Subsidiary)	730,848,789	114,670,940	726,710,373	117,142,676
Pharaonic Gas Company – SAE(Subsidiary)	12,446,163	8,817,541	-	(936,342)
Qatar Group for Gas - LLC *(Subsidiary)	150,381,379	27,946,327	179,126,306	22,027,135
Arab Company for Gas Services – LLC *(Subsidiary)	26,993,177	24,470,250	-	-
TAQA Gas Services (Subsidiary)	40,983,708	25,455,948	40,642,664	6,895,589
TAQA Arabia for Solar Power	1,263,580,039	210,619,302	172,334,636	23,894,915

10. Right of use assets

	2021	2020
Balance at 1 January 2021	347,420,549	297,226,414
Additions during the year	154,968,531	73,268,083
Amortization expenses	(30,348,904)	(23,023,264)
Exchange differences	(45,660)	(50,684)
Adjustment	(2,529,617)	-
Balance as of 31 December 2021	469,464,899	347,420,549

Right of use assets represent properties rented by the group.

Amortization expense is allocated in the consolidated statement of profit or loss, as follows:

	2021	2020
Cost of sales	24,788,477	21,123,729
General and administration expenses	5,560,427	1,899,535
	30,348,904	23,023,264

11. Inventories

	2021	2020
Raw materials	275,552,345	224,564,909
Finished goods	65,281,335	71,168,751
Spare parts	75,383,174	49,544,002
	416,216,854	345,277,662
Less: provision of inventory write-downs	(7,518,505)	(7,295,027)
	408,698,349	337,982,635

12.Trade receivables and other debit balances

a) Non-current

	2021	2020
Deposits with others	179,834,060	193,377,097
Trade receivables	71,564,793	29,093,694
Prepaid expenses	432,701	108,337
	251,831,554	222,579,128

b)Current

	2021	2020
Trade receivables	840,558,664	761,912,540
Prepayments and advance to suppliers	185,924,264	126,225,222
Notes receivable	141,285,647	150,669,343
Construction contracts in progress	83,790,044	71,385,315
Deposits with other	20,498,263	49,742,287
Staff loans	13,189,856	12,249,251
Other receivables	702,119,210	282,252,269
	1,987,365,948	1,454,436,227
Less		
Impairment of trade receivables and other debit balances (3C)	(62,077,359)	(62,211,294)
	1,925,288,589	1,392,224,933

Classification of trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in Note (3C).

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates.

Impairment of trade receivables

For information about the impairment of trade receivables refer to Note (3C).

13. Financial assets at fair value through other comprehensive income

	2021	2020
Orient investment properties ltd.	51,261,460	51,261,460
	51,261,460	51,261,460

During the year 2019, TAQA Arabia Company acquired 3,000,000 ordinary shares in Orient Investment Properties at USD 1.00 per share, amounting to USD 3,000,000 (equivalent to EGP 51,261,460) Ltd.

TAQA Arabia Company did not exert significant influence over the above investment as the company does not participate in policy making processes, has no material transactions, and does not exchange managerial personnel or provide essential technical assistance. The company does not have control, or joint control over this investment.

14. Related parties

The Group entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, «Disclosure of related parties». The related parties comprise the Group›s board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management.

The management decides the terms and conditions of transactions and services provided from/ to related parties, as well as other expenses.

The ultimate parent is Citadel Capital Company S.A.E

A. The below table summarises the nature and volume of transactions with related parties during the year.

Name of the Company	Nature of relationship	Nature of transactions	2021	2020
Castrol Egypt	Associate	Sale of Lubricants	81,111,303	21,028,528

The transactions with related parties resulted in the following balances at year end:

B. Due from related parties – non-current

	2021	2020
Castrol Egypt	39,200,000	39,200,000
	39,200,000	39,200,000

C. Due to related parties

	2021	2020
Castrol Egypt	37,378,871	19,315,133
Silverstone Capital Investments ltd	18,638,475	47,714,389
Trimestone Assets Holdings Limited B.V.I,	1,305,784	3,302,604
Citadel Capital for International Investment ltd.	139,540	352,932
	57,462,670	70,685,058

D. Key management compensation

TAQA group key management compensation within all the Group Companies represents short term employee benefits which is amounting to EGP 205,935,245 for 31 December 2021 and EGP 105,062,846 for 31 December 2020 and does not include post-employment benefits, termination benefits or shared based payments.

15. Cash on hand and at bank and highly liquid investment

	2021	2020
Cash on hand and at banks*	641,307,093	971,395,408
Time deposit **	416,449,751	386,207,853
Investments in treasury bills less than 3 months	3,944,079,748	724,093,138
	5,001,836,592	2,081,696,399
Loss allowances for treasury bills ***	(16,768,062)	(2,204,838)
Loss allowances for time	(103,755)	(103,755)
	4,984,964,775	2,079,387,806

Cash on hand and at Banks disclosed above and in the statement of cash flows include EGP 52.6 M represent debt service reserve account for TAQA solar loan with IFC against interest and instalment payment for the period of 6 months and foreign currency availability reserve for 3 months of interest and instalment.

** Time deposits disclosed above include short-term deposits amounting to EGP 383M that are held by HSBC bank as collateral against the loan granted by HSBC Bank Egypt to Citadel Capital for International Investments and its renewal every 6 months and last renew was on 31 December 2021.

Impairment of treasury bills

*** For information about the impairment of treasury bills refer to Note (3C).

For cash flow purposes, cash and cash equivalents comprise the following:

	2021	2020
Cash on hand and at banks	641,307,093	971,395,408
Time deposits	416,449,751	386,207,853
Investments in treasury bills less than 3 months	3,944,079,748	724,093,138
Less: restricted cash	(383,025,414)	(383,025,414)
	4,618,811,178	1,698,670,985

16. Bank facilities

	2021	2020
TAQA Gas Group	856,316,853	657,451,462
Power Group	1,365,751,375	319,054,306
TAQA Marketing	177,506,491	177,306,996
Qatar Gas Group	2,382,809	-
TAQA Arabia	1,729,054,945	-
	4,131,012,473	1,153,812,764

The above bank facilities are represented in bank overdrafts that are mainly secured by the treasury bills.

17. Borrowings

	2020	2019
Non-current portion		
HSBC	223,172,550	312,529,698
NBE	259,448,158	133,264,343
Emirates NBD	352,327,542	277,386,647
European bank for reconstruction & development EBRD	56,283,952	-
IFC	693,359,866	744,659,061
	1,584,592,068	1,467,839,749
Current portion		
HSBC	90,000,000	78,750,000
NBE	39,486,173	10,801,853
Emirates NBD	24,148,085	4,346,501
European bank for reconstruction & development EBRD	8,662,265	-
IFC	50,586,667	48,511,161
	212,883,190	142,409,515
	1,797,475,258	1,610,249,264

	2021	2020
Accrued interest	137,045,221	63,189,423

Loans repayment schedule:

31 December 2021

	Less than six months	6 months to 1 year	1-2 Years	More than 2 years
Loans principal	96,893,110	115,990,080	220,475,933	1,364,116,135

31 December 2020

	Less than six months	6 months to 1 year	1-2 Years	More than 2 years
Loans principal	64,687,696	77,721,819	158,420,748	1,309,419,001

The main terms and conditions of outstanding loans are as follows:

(A) TAQA Marketing

National Bank of Egypt:

a. A loan of EGP 20 million was obtained from the Bank. The amount of the loan drawdown as of 31 December 2021 amounted to EGP 16.8 million in addition to accrued interest. The payment is made on 20 equal quarterly instalments. The premium is EGP 914,265 and the first instalment is due in December 2017. The last instalment is due in July 2022.

b. A loan of EGP 50 million was obtained from the Bank. The amount of the loan drawdown as of 31 December 2021 amounted to EGP 50 million in addition to accrued interest. The payment is made on 20 equal quarterly instalments. The premium is EGP 2,500,000 and the first instalment is due in August 2021. The last instalment is due in Aug 2026.

c. loan of EGP 15.8 million was obtained from the Bank. The amount of the loan drawdown as of 31 December 2021 amounted to EGP 15.8 million in addition to accrued interest. The payment is made on 20 equal quarterly instalments. The premium is EGP 790,000 and the first instalment is due in March 2021. The last instalment is due in December 2025.

Securities:

- The company shall undertake an irrevocable power of attorney to authorize the Bank to activate a commercial mortgage of the first class on new tank in Suez Terminal financed through 15.8 million loan
- Not to distribute any profits until after payment of all the bank›s receivables in that year including the original amount and its proceeds.
- The «financial leverage» ratio shall not exceed 2 for the duration of the loan.
- The ratio of «total bank debt to total equity» shall not exceed 1.5: 1 throughout the term of the loan.
- The rate of coverage of loans and returns shall not be less than (1) times.
- Total liabilities to total equity not to exceed 3:1
- Not to arrange any mortgage or any power of attorney for sale or mortgage for any projects financed through NBE.

d. Med-term loan to finance the construction of Alexandria warehouse

- The loan was signed on 3 June 2021
- The loan was obtained in the amount of EGP 337.9 million from the Bank with an interest rate of the corridor margin declared by the central bank of Egypt plus margin.
- The loan term is 8 years, including a 3 year withdrawal period and a 3 year grace period.
- The amount of the loan drawdown as of 31 December 2021 is EGP 70.14 M.

Securities

TAQA Arabia undertakes to pay the rent of the warehouse in case that the lender was not able to pay it.

e. Med-term loan to finance construction of 7 car refueling stations

- The loan was obtained in the amount of EGP 70.2 million from the Bank with an interest rate of the corridor margin declared by the central bank of Egypt plus margin.
- The term of the loan is 6.5 years, including a withdrawal period and a grace period of one and a half years.
- The amount of the loan drawdown as of 31 December 2021is nil.

Securities

There should be an insurance policy for these stations in favor of the bank.

Emirates NBD:

The loan was obtained in the amount of EGP 25 million from the Bank. The amount of the loan drawdown as of 31 December 2021 amounted to EGP 18.426 million in addition to the accrued interest.

The payment is made on 24 equal quarterly instalments. The premium is EGP 1,086,625. The first instalment is repayable in May 2019. The last instalment is due in January 2024.

Securities:

The company shall undertake an irrevocable power of attorney to authorize the Bank to activate a commercial mortgage of the first class on the assets of the company subject to the loan.

The company undertakes the following:

i. Not to distribute any profits until after payment of all the bank›s receivables in that year including the original amount and its proceeds.

ii. Debt service shall not be less than :1.1 1 loan period.

iii. The «leverage» ratio shall not exceed 1 :2.5 throughout the loan period.

(B) TAQA Arabia

HSBC bank:

A loan of EGP 450 million was obtained from the bank on 17 October 2017, the amount of the loan drawdown as of 31 December 2021 amounted of EGP 315 million in addition to the accrued interest.

- Payment is made on 12 semi-annual instalments and is due to be repaid first instalment in March 2019. The final instalment is due in March 2025.

Securities:

- Pledge the shares of the Gas Group and its subsidiaries.
- Has pledged to transfer the profits of the gas group and its subsidiaries to TAQA Arabia with HSBC, so that the transferred amounts will be covered by 1.25 times of the annual paid.
- Non-distribution of dividends to TAQA Arabia›s shareholders in the event of a breach or failure of the Bank to satisfy the debt service rate.

(C) TAQA industrial zone

ENBD:

A loan of EGP 366.7M was obtained from the bank on 1 September 2019 with interest rate of corridor plus margin, the amount of the loan drawdown as of 31 December 2021 amounted of EGP 366.7 M. in addition to the accrued interest.

- Payment is made on quarterly instalments and is due to be repaid first instalment in June 2022. The final instalment is due in September 2029.

Securities:

- The bank has been granted a power of attorney for commercial mortgage of TAQA for industrial zones.
- Assigning all cash and financial revenues and revenues generated by the funded project.

(D) TAQA Solar

IFC:

The company signed the contract with a group of international lenders led by international finance corporation (IFC) and other international corporations on October 2017 to obtain a loan to finance a construction of the solar power plant in Benban zone of Aswan Governorate with an amount of USD 54.2M. (2020: USD 50.6M.) with interest rate of LIBOR for six months plus margin. The loan will be repaid on 33 equal instalments due from 15 July 2019 to 15 July 2035.

The Securities created to the Lenders under TAQA Solar project

- Offshore securities
- Equity Subordination And Assignment Deed
- Offshore Assignment Deed
- Reinsurance Assignment Deed
- Offshore Share Pledge Agreement
- Onshore securities
- Moveable Collateral Register POA
- Movables Pledge Agreement
- Onshore Share Pledge (TAQA Solar-Swenett Solar B.V)
- Onshore Share Pledge POA
- Assignment of Onshore Accounts Agreement
- Onshore Assignment Agreement
- Onshore Assignment of Insurance Agreement
- Assignment of Equity Subordinated Lender Loan Agreement (TAQA Arabia S.A.E)
- Assignment of Equity Subordinated Lender Loan Agreement (Hassan Allam Holding S.A.E)

Debt covenants

- The Borrower must not make, pay or permit a Distribution unless the Prospective Debt Service Cover Ratio is not less than 1.2:1
- No default has occurred and is continuing at the time of any planned distribution
- The Borrower is maintaining the Required balances of the Maintenance Reserve Account, Debt Service Reserve Account and CSA Reserve Account
- Sponsors should retain at least 51% ownership at all the loan duration

The Borrower must ensure that, at any time following the Commercial Operation Date, the average Performance Factor over any twelve (12) Billing Periods (as defined in the PPA) is not less than zero point eight (0.8)

Compliance with loan covenants

The group has complied with the financial covenants of its borrowing facilities as of the year ended 31 December 2021 and year ended 31 December 2020.

(E) Master gas Company

National Bank of Egypt:

A loan of EGP 200 million was obtained from the Bank. The amount of the loan drawdown as of 31 December 2021 amounted to EGP 118 million in addition to accrued interest. The payment is made on 28 equals quarterly instalments. and the first instalment is due in

31 October 2021. The last instalment is due in July 2028.

Securities:

- Not to make any dividend distributions during the life of the financing with the possibility of making distributions in the case of the Borrower›s obligation to pay all the amounts due thereon to the Bank and obligation to financial undertakings after obtaining the Bank's prior written consent.
- Not to sell, mortgage and/or issue a power of attorney to sell, mortgage, waive or lease any of its assets, before obtaining the Bank›s prior written consent.
- Insure the stations, subject of financing, during the construction period against the risks of contractors and after operation against the risk of fire within the user's limits of financing, provided that the insurance policies for the stations financed by the Bank shall be waived in favor of the Bank.
- Not to increase the ratio of total liabilities to total equity for 1:3.5
- Not to increase the ratio of total Bank debts to total equity for 1:3
- The coverage rate of loan instalments and returns for the Borrower shall not be less than
- 1 time.

Long term loan to finance construction of 40 stations to supply cars with natural gas

- The loan was obtained in the amount of EGP 508 million from the Bank with an interest rate of margin above the corridor (Lending) declared by the central bank of Egypt.
- The term of the loan is 8 years, including a withdrawal period and a grace period of one year since the contract signing date.
- The amount of the loan drawdown as of 31 December 2021 is EGP 11,153,131.

Securities

There should be an insurance policy for these stations in favor of the bank.

(F) TAQA Solar PV

European bank for reconstruction & development EBRD:

- On December 2020 ,10, the company signed a long-term loan contract with Global Energy Company “associate” and EBRD bank for the purpose of financing the company's projects from investment costs, the total amount of financing amounted to 10 million dollars divided into three Tranches, each tranche shall be withdrawn after completing the requirements, at a variable interest rate at an average.

The loan is repaid in semi-annual instalments over 8 years, either (a) after six months from the date of completion of the project, or (b) after two years from the date of signing the contract, whichever is earlier.

On December 2021 ,31, the balance of the long-term loan amounted to 4,147,000 US dollars, equivalent to 64,946,217 Egyptian pounds.

18. Trade payables and other credit balances

	2021	2020
Accounts payable	1,377,666,564	1,593,791,123
Deposits from others	103,161,709	22,905,452
Accrued expenses	461,110,033	438,822,672
Deferred revenue*	492,136,109	196,735,865
Other payables	230,036,108	54,988,552
Retention	28,208,892	42,937,475
Advances from customers	7,701,512	63,108,597
Notes payables	39,023,577	31,109,089
Tax authority	165,317,337	148,015,060
	2,904,361,841	2,592,413,885

* The below table shows the movement of deferred revenues.

	2021	2020
Balance at the beginning of the year	196,735,865	199,944,152
Additions	6,579,106,502	7,177,733,268
Released to revenue	(6,283,706,258)	(7,180,941,555)
	492,136,109	196,735,865

19. Provisions

	2021	2020
Beginning balance	230,140,638	244,326,247
Provisions formed	103,840,859	10,568,659
Provisions used	(55,375,380)	(23,054,268)
Provision no longer required	-	(1,700,000)
Ending balance	278,606,117	230,140,638

The provisions for claims have been formed against the probable claims from external parties in relation to group activities. Information usually published on the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with that party. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

20. Paid up capital

The Group's authorized capital is EGP 1,200,000,000 represented in 120,000,000 ordinary shares of EGP 10, each.

The issued and fully paid up share capital of the Company is EGP 676,176,900 represented in 67,617,690 ordinary shares of EGP 10, each.

the Extraordinary General Assembly meeting held on December,22 2019, approved to implement the stock split by adjusting the par value of the share from 10 Egyptian pound (Ten Egyptian pounds) to 0.5 Egyptian pounds (Half Egyptian pound) and it was authenticated on December 24, 2019.

Accordingly, the group's authorized capital will be EGP 1,200,000,000 represented in 2,400,000,000 ordinary shares of EGP 0.5, each.

The issued and fully paid up share capital of the Company is EGP 676,176,900 represented in 1,352,353,800 ordinary shares of EGP 0.5 (Half Egyptian pound), each.

The ultimate parent is Citadel Capital Company S.A.E

The following table presents the paid-up capital for the year ended December 2021:

Shareholders	Number of shares	Capital EGP	Participation %
Financial Holdings International LTD	48,086,481	24,043,240	3.55%
Silverstone Capital Investment LTD	1,079,246,964	539,623,482	79.80%
Citadel Capital for International Investments LTD	8,079,980	4,039,990	0.60%
Rolaco EGB for investment	53,031,300	26,515,650	3.92%
Trimstone Assets Holdings LTD	75,610,440	37,805,220	5.59%
Hana investment Co (W.L.L)	67,617,700	33,808,850	5%
Other investors	20,680,935	10,340,468	1.54%
	1,352,353,800	676,176,900	%100

During the current year, Silverstone capital Investment LTD has disposed some of its shares totaling 8,079,980 shares with a nominal value of EGP 4,039,990 in the paid-up capital which was acquired by another investor.

No change in the paid-up capital has occurred as a result of the disposal and the acquisition of these shares.

The following table presents the paid-up capital for the year ended December 2020:

Shareholders	Number of shares	Capital EGP	Participation %
Financial Holdings International LTD	45,746,680	22,873,340	3.38%
Silverstone Capital Investment LTD	1,092,371,320	546,185,660	80.78%
Citadel Capital for International Investments LTD	8,079,980	4,039,990	0.60%
Rolaco EGB for investment	53,031,300	26,515,650	3.92%
Trimstone Assets Holdings LTD	75,610,440	37,805,220	5.59%
Hana investment Co (W.L.L)	67,617,700	33,808,850	5%
Other investors	9,896,380	4,948,190	0.73%
	1,352,353,800	676,176,900	%100

21. Reserves

	2021	2020
Legal reserve *	74,146,808	58,550,254
Translation reserve	14,274,461	14,590,728
Other reserve **	(2,670,051)	(2,670,051)
Hedging reserve - interest rate swap ***	(36,815,539)	(56,186,867)
Reclassification for a spilt of TAQA for Electricity, Water and Cooling - SAE (Subsidiary)****	53,136,000	53,136,000
	102,071,679	67,420,064

According to the Egyptian Companies' Law 159 for the year 1981 and the Group companies' statue, the Group companies are required to set aside %5 of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reach %20 of the issued share capital. The reserve is not eligible for distribution to Shareholders.

If the reserve falls below the defined level (%20 of the paid share capital, then the Group is required to resume setting aside %5 of the annual profit until it reaches %20 of the issued share capital.

** This amount is represented in the excess of paid amount over book value of acquired shares due to the change in the group ownership interest in subsidiaries that don›t result in a loss of control.

*** TAQA Solar company a subsidiary of TAQA Arabia has entered into a finance agreement with International finance Corporation to obtain a loan to finance the Solar energy project, by which the company was obliged to cover the risk of change in variable interest rates for 6 months US dollar Libor rate and this by entering into an interest rate swap contract and this by fixing 6 months US dollar Libor rate to be % 3.417.

**** This reclassification represents the retained earnings of TAQA for electricity, water and cooling S.A.E. that was used to increase the capital of TAQA for electricity, water and cooling S.A.E and TAQA Electricity, Generation and Distribution in Industrial Zones as a result of the split of TAQA for electricity, water and cooling and based on the report issued by GAFI and at the consolidation level this retained earning cannot be distributed, accordingly it has been reclassed to other reserve.

22. Long term liabilities

	2021	2020
Gas consumption and meter deposits	7,866,961	17,648,247
Power consumption deposits	254,414,213	221,305,562
Derivative financial instrument – interest rate swap	73,066,596	114,705,426
Other long-term liabilities	25,305,966	39,548,589
	360,653,736	393,207,824

23. Lease liabilities

	2021	2020
Lease liability recognized as at the beginning of the year	347,823,528	271,845,451
(Less) lease payments during the year	(37,594,298)	(29,290,831)
Addition	154,968,532	73,031,561
Interest expense	43,098,507	32,301,135
Forex	160,569	(63,788)
	508,456,838	347,823,528
(Less) Current lease liability	(41,403,959)	(22,945,682)
Non-current lease liability	467,052,879	324,877,846

	2021	2020
Commitments in relation to leases are payable as follows:		
Within one year	68,597,909	38,611,016
Later than one year	185,209,700	116,561,164
Later than five years	1,043,041,668	891,944,900
Minimum lease payments	1,296,849,277	1,047,117,080
The present value of lease liabilities is as follows:		
Within one year	41,403,959	22,945,682
Later than one year	157,574,424	52,125,703
Later than five years	309,478,455	272,752,143
Present Value of Minimum Lease Payments	508,456,838	347,823,528

24. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using an effective tax rate of %22.5:

A. Deferred tax assets

	Changes in accounting policy (EAS 47)	Impairment of treasury bills	Accumulated losses	Un-realised foreign currency exchange losses	Derivative financial instruments cash flow hedge	Total
Opening balance as at 1 January 2020 –	4,734,006	-	1,173,397	5,236,635	16,304,148	27,448,186
Deferred income tax charged to statement of profit or loss	7,152,787	-	187,812	(3,855,273)	-	3,485,326
Reversal of deferred tax assets related to opening balance as a result of EAS 47	(3,127,813)	-	-	-	-	(3,127,813)
Deferred income tax recognised in equity statement (Cash flow hedge)	-	-	-	-	9,827,432	9,827,432
Balance at 31 December 2020	**8,758,980**	**-**	**1,361,209**	**1,381,362**	**26,131,580**	**37,633,131**
Opening balance as at 1 January 2021	8,758,980	-	1,361,209	1,381,362	26,131,580	37,633,131
Deferred income tax charged to statement of profit or loss	-	6,201,710	14,612,678	-	-	20,814,388
Deferred income tax recognised in equity statement (Cash flow hedge)	-	-	-	-	(9,454,400)	(9,454,400)
Balance at 31 December 2021	**8,758,980**	**6,201,710**	**15,973,887**	**1,381,362**	**16,677,180**	**48,993,119**

B. Deferred tax liabilities

	Property & equipment	Un-realised foreign currency exchange gain	Total
Balance at 1 January 2020	51,525,389	3,838,284	55,363,673
Deferred income tax charged to statement of profit or loss	784,238	(3,838,284)	(3,054,046)
Balance at 31 December 2020	52,309,627	-	52,309,627
Deferred income tax charged to statement of profit or loss	40,227,517	-	40,227,517
Balance at 31 December 2021	92,537,144	-	92,537,144

25. Current income tax liabilities

	2021	2020
Opening balance	132,547,082	140,014,662
Current income tax expense	162,537,084	153,955,551
Current income tax payment	(76,212,579)	(116,858,855)
Withholding tax payment	(61,661,952)	(44,564,276)
Adjustment	(11,742,770)	-
	145,466,865	132,547,082

26. Derivative financial instrument (liabilities)

	2021	2020
Derivative financial instrument - interest rate swap	(73,066,596)	(114,705,426)
	(73,066,596)	(114,705,426)

TAQA Solar company a subsidiary of TAQA Arabia has entered into a finance agreement with International finance Corporation to obtain a loan to finance the Solar energy project, by which the company was obliged to cover the risk of change in variable interest rates for 6 months US dollar Libor rate and this by entering an interest rate swap contract and this by fixing 6 months US dollar Libor rate to be %3.417

The main terms of the transactions are as follows:

Effective date: 2 July 2018

Termination date: 15 Jan 2032.

Fixed rate paid by the company is %3.417.

The following table summarizes the hedging (liabilities) movement:

Interest rate swaps – cash flow hedges	
Balance at 1 January 2020	(72,462,881)
Recognition of fair value of interest rate swaps contract	(42,242,545)
Balance at 31 December 2020 and 1 January 2021	(114,705,426)
Recognition of fair value of interest rate swaps contract	41,638,830
Balance at 31 December 2021	(73,066,596)

27. Revenues

Disaggregation of revenue from contracts with customers

31 December 2021	Fuel & lubes revenue	Electricity supplies revenue	Gas networks construction revenue	Sales commission	Gas cars conversion and gas sales revenue	Total
Revenues from external customers	5,448,151,733	1,753,937,263	1,252,993,463	333,199,542	313,734,306	9,102,016,307
Timing of revenue recognition						
At a point in time	5,448,151,733	982,952,422	926,582,811	333,199,542	313,734,306	8,004,620,814
Over time	-	770,984,841	326,410,652	-	-	1,097,395,493
	5,448,151,733	**1,753,937,263**	**1,252,993,463**	**333,199,542**	**313,734,306**	**9,102,016,307**

31 December 2020	Fuel & lubes revenue	Electricity supplies revenue	Gas networks construction revenue	Sales commission	Gas cars conversion and gas sales revenue	Others	Total
Revenues from external customers	4,840,103,580	1,423,559,756	1,233,985,949	297,919,647	126,604,540	1,560,028	7,923,733,500
Timing of revenue recognition							
At a point in time	4,840,103,580	817,629,285	1,022,027,041	297,919,647	126,604,540	1,560,028	7,105,844,121
Over time	-	605,930,471	211,958,908	-	-	-	817,889,379
	4,840,103,580	**1,423,559,756**	**1,233,985,949**	**297,919,647**	**126,604,540**	**1,560,028**	7,923,733,500

28. Cost of revenues

	2021	2020
Fuel and lubes cost	5,265,797,450	4,675,555,641
Electricity supplies cost	1,301,800,722	1,048,560,785
Gas networks construction cost	900,473,613	852,871,188
Salaries and wages	161,994,367	162,432,510
Depreciation and amortization	166,326,046	132,736,110
Purchase of gas	128,745,281	78,581,670
Other	109,594,153	88,944,584
	8,034,731,632	7,039,682,488

29. Administrative expenses

	2021	2020
Salaries and wages	142,329,589	112,030,069
Professional fees	22,636,487	23,694,783
Maintenance and repair	2,142,435	1,787,630
Depreciation and amortization	14,774,541	13,217,664
IT and telecommunication expense	10,791,822	8,588,614
Other	42,713,679	35,923,814
Rent expense	9,119,486	6,614,618
Travel expense	7,303,114	5,980,948
Insurance expense	4,330,494	2,313,597
Publication and events	3,924,677	2,045,434
Utility	1,793,598	1,697,952
	261,859,922	213,895,123

30. Other expenses

	2021	2020
Other expenses	31,649,309	49,276,767
Provision *	103,840,859	10,568,659
Tax on dividends	-	14,537,176
	135,490,168	74,382,602

* Out of the total provision and other expenses EGP 4,043,850 as of 31 December 2021, and EGP 26,121,027 as at 31 December 2020, are related to items before EBITDA, which is one of the key parameters looked at by management (note 36).

31. Finance income / (cost) - net

	2021	2020
Interest expense	(493,170,775)	(363,179,980)
Foreign currency exchange losses	(818,264)	(9,403,833)
Finance costs	(493,989,039)	(372,583,813)
Treasury bills and interest revenues	535,591,347	357,206,154
Finance income	535,591,347	357,206,154
Finance income (cost) -net	41,602,308	(15,377,659)

32. Income tax

The tax expense for the year differs from the theoretical amount that would arise using the tax rate applicable to the group as follows:

	2021	2020
Current income tax	162,537,084	153,955,551
Income tax for the year	**162,537,084**	**153,955,551**
Deferred tax	19,413,129	(6,539,372)
Deferred tax for temporary differences	19,413,129	(6,539,372)
	181,950,213	**147,416,179**

The tax expense on the Group's profit before tax differs from the theoretical amount of income tax expense that would arise using the weighted average tax rate, as follows:

	2021	2020
Profit for the year before income tax	716,288,704	594,875,378
Tax calculated using tax rate of 22.5%	161,164,959	133,846,960
Tax effect for expenses and income not deducted/added for tax purposes	1,372,125	20,108,591
Income tax for the year	**162,537,084**	**153,955,551**
Effective tax rate	**22.7%**	**25.9%**

33. Earnings profit per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares issued, after considering the proposed employees' profit share.

	2021	2020
Net profit attributable to the shareholders of the parent company	479,879,017	409,992,204
Weighted average number of ordinary issued and paid shares	**1,352,353,800**	**1,352,353,800**
Basic earnings per share	**0.355**	**0.303**

34. financial instruments by category

Assets as per the consolidated statement of financial position	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
	31 December 2021		
Trade and other receivables (excluding non-financial assets)* (Note 12)	-	1,790,430,855	1,790,430,855
Due from related parties	-	39,200,000	39,200,000
Cash and cash equivalents	-	4,984,964,775	4,984,964,775
Treasury bills	-	694,191,823	694,191,823
Financial assets at fair value through other comprehensive income	51,261,460	-	51,261,460
Total	51,261,460	7,508,787,453	7,560,048,913

Liabilities as per the consolidated statement of financial position	Derivatives used for hedging	Financial liabilities at amortised cost	Total
	31 December 2021		
Trade and other payables (excluding non-financial liabilities)* (Note 18)	-	2,935,852,222	2,935,852,222
Borrowings	-	1,797,475,258	1,797,475,258
Bank facilities	-	4,131,012,473	4,131,012,473
Due to related parties	-	37,378,871	37,378,871
Derivatives for hedging purposes	73,066,596	-	73,066,596
Lease liabilities	-	508,456,838	508,456,838
Total	73,066,596	9,410,175,662	9,483,242,258

Assets as per the consolidated statement of financial position	Investment available-for-sale (fair movement in OCI, impairment in statement of profit or loss)	Loans and receivables	Total
	31 December 2020		
Trade and other receivables (excluding non-financial assets)* (Note 12)	-	1,245,351,118	1,245,351,118
Due from related parties	-	39,200,000	39,200,000
Cash and cash equivalents	-	2,079,387,806	2,079,387,806
Treasury bills	-	938,543,181	938,543,181
Financial assets at fair value through other comprehensive income	51,261,460	-	51,261,460
Total	51,261,460	4,302,482,105	4,353,743,565

Liabilities as per the consolidated statement of financial position	Derivatives used for hedging	Financial liabilities at amortised cost	Total
	31 December 2020		
Trade and other payables (excluding non-financial liabilities) * (Note 18)	-	2,688,257,099	2,688,257,099
Borrowings	-	1,610,249,264	1,610,249,264
Bank facilities	-	1,153,812,764	1,153,812,764
Due to related parties	-	19,315,133	19,315,133
Derivatives for hedging purposes	114,705,426	-	114,705,426
Lease liabilities		347,823,528	347,823,528
Total	114,705,426	5,819,457,788	5,934,163,214

* At the Balance sheet date, the carrying value of all short-term financial assets and liabilities approximates the fair value. Long-term borrowings also approximate the fair value as the loans bears a variable interest rate, so the fair value equals the principal amount.

Trade and other receivables presented above excludes prepaid expenses, advances to supplies and deposits with others.

Trade and other payables presented above excludes taxes payables, advances from customers and social insurances.

35. Tax position

The group›s profits are subject to the corporate tax according to Tax Law No. (91) of 2005 and

the tax status is as follows:-

Corporate income tax

- The group companies submit its tax return on the due dates.

36. Operating segments

The management assesses the performance of the operating segments based on the total revenues / gross profit/ EBITDA/operating profit/ total assets of segment and the total liabilities. This measurement basis excludes discontinued operations.

Interest income and expenditure are not allocated to segments, as this type of activity is driven by the Group›s head office, which manages the cash flows and liquidity requirements. In terms of geography, the group operations are mainly in Egypt.

31 December 2021	Gas	Power	Marketing	Other	Total	Elimination	Total Cons
Operating results							
Revenue	1,899,927,311	1,795,880,221	5,448,151,733	73,428,429	9,217,387,694	(115,371,387)	9,102,016,307
Cost of revenue	(1,296,602,255)	(1,382,069,437)	(5,223,440,164)	(4,171,962)	(7,906,283,818)	37,878,232	(7,868,405,586)
Depreciation & Amortization (Cost)	(45,168,413)	(86,413,380)	(34,739,828)	(4,425)	(166,326,046)	-	(166,326,046)
Gross profit	**558,156,643**	**327,397,404**	**189,971,741**	**69,252,042**	**1,144,777,830**	**(77,493,155)**	**1,067,284,675**
Investment revenue	-	-	-	437,374,442	437,374,442	(437,374,442)	-
Other income	1,502,115	3,249,696	-	-	4,751,811	-	4,751,811
Administrative expenses	(147,271,965)	(66,520,127)	(39,362,243)	(73,966,749)	(327,121,084)	80,035,703	(247,085,381)
Depreciation & Amortization (Admin)	(3,613,014)	(4,496,152)	(3,642,402)	(3,022,973)	(14,774,541)	-	(14,774,541)
Other expenses	(11,415,072)	(16,517,575)	(3,690,350)	(26,253,710)	(57,876,707)	(272,602)	(58,149,309)
Provision	(11,870,026)	-	-	(65,470,833)	(77,340,859)	-	(77,340,859)
Results from operating activities	385,488,681	243,113,246	143,276,746	337,912,219	1,109,790,892	(435,104,496)	674,686,396
Financial position							
Total assets	**3,290,127,226**	**5,097,552,570**	**1,055,568,591**	**3,431,800,537**	**12,875,048,924**	**(952,773,327)**	**11,922,275,597**
Total liabilities	**2,857,634,212**	**4,092,984,934**	**908,851,586**	**2,591,358,651**	**10,450,829,383**	**(320,263,306)**	**10,130,566,077**

31 December 2020	Gas	Power	Marketing	Other	Total	Elimination	Total Cons
Operating results							
Revenue	1,658,510,136	1,423,559,756	4,840,103,580	84,510,116	8,006,683,588	(82,950,088)	7,923,733,500
Cost of revenue	(1,175,735,709)	(1,094,769,663)	(4,634,466,166)	(6,808,322)	(6,911,779,860)	4,833,482	(6,906,946,378)
Depreciation & Amortization (Cost)	(24,191,096)	(76,799,432)	(31,745,582)	-	(132,736,110)	-	(132,736,110)
Gross profit	**458,583,331**	**251,990,661**	**173,891,832**	**77,701,794**	**962,167,618**	**(78,116,606)**	**884,051,012**
Investment revenue	-	-	-	161,298,213	161,298,213	(161,298,213)	-
Other income	9,245,322	5,234,428	-	-	14,479,750	-	14,479,750
Administrative expenses	(119,584,261)	(59,348,912)	(24,725,807)	(50,402,572)	(254,061,552)	53,384,093	(200,677,459)
Depreciation & Amortization (Admin)	(3,756,420)	(3,412,468)	(3,000,170)	(3,048,605)	(13,217,664)	-	(13,217,664)
Other expenses	(24,080,243)	(12,701,970)	(500,000)	(26,908,402)	(64,190,615)	376,673	(63,813,942)
Provision	(10,228,100)	-	(340,560)	-	(10,568,660)	-	(10,568,660)
Results from operating activities	310,179,629	181,761,739	145,325,295	158,640,427	795,907,090	(185,654,053)	610,253,037
Financial position							
Total assets	**2,832,024,774**	**3,680,450,033**	**891,965,669**	**1,570,268,731**	**8,974,709,207**	**(885,736,746)**	**8,088,972,461**
Total liabilities	**2,256,229,420**	**2,855,038,209**	**745,856,191**	**807,800,824**	**6,664,924,644**	**(214,282,056)**	**6,450,642,588**

	Gas		Power		Marketing		Other		TAQA Cons	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sales	1,899.9	1,658.5	1,795.9	1,423.6	5,448.2	4,840.1	73.4	84.5	9,102.0	7,923.7
Cost of Sales	(1,296.6)	(1,175.7)	(1,382.1)	(1,094.8)	(5,223.4)	(4,634.5)	(4.2)	(6.8)	(7,868.4)	(6,906.9)
Gross profit	**603.3**	**482.8**	**413.8**	**328.8**	**224.7**	**205.6**	**69.3**	**77.7**	**1,233.6**	**1,016.8**
Admin expenses	(147.3)	(119.6)	(66.5)	(59.3)	(39.4)	(24.7)	(74.0)	(50.4)	(247.1)	(200.7)
Other Income/(expenses)	(1.0)	(7.3)	0.3	(0.8)	0.1	-	(3.5)	(18.0)	(4.0)	(26.1)
EBITDA	**455**	**355.9**	**347.6**	**268.7**	**185.4**	**180.9**	**(8.2)**	**9.3**	**982.5**	**790.0**
Investment revenue	-	-	-	-	-	-	437.4	161.3	-	-
Other non-recuring Items	(22.2)	(23.3)	(13.4)	(8.2)	(3.9)	(1.0)	(87.7)	(11.1)	(127.5)	(43.2)
Depreciation and amortization	(48.8)	(27.9)	(90.9)	(80.2)	(38.4)	(34.7)	(3.0)	(3.0)	(181.1)	(146.0)
EBIT	**384**	**304.6**	**243.3**	**180.3**	**143.2**	**145.2**	**338.5**	**156.5**	**673.9**	**600.8**
Net income	**366.5**	**297.8**	**165.9**	**95.5**	**100.8**	**93.5**	**336.2**	**141.1**	**534.3**	**447.5**
Minority share	(14.5)	(1.5)	(40.0)	(23.9)	-	-	-	-	(54.5)	(37.5)
Profit for the year	**352.0**	**296.3**	**125.9**	**71.7**	**100.8**	**93.5**	**336.2**	**141.1**	**479.9**	**410.0**

Operating segments (continued)

The following summary describes each reportable segment:

Gas sector

Specialize in delivering natural gas to both residential and industrial customers.

This arm provides its customers with:

Connections construction, gas distribution and operations & maintenance services targeting both residential and industrial customers.

CNG vehicle conversions, gas supply station, in addition to Mobile CNG.

Engineering consultancy, gas retail appliances and market research and surveying services.

Power Sector

Specialize in power generation systems, through combustible and solar energy stations, to off grid industrial customers.

Power distribution through building / owning substations and networks.

Excess capacity management.

Operation & maintenance services, including all activities necessary for TAQA clients' plants to operate in a safe and economical manner.

Fuel and Lubricants

TAQA Oil Marketing is the first privately owned Egyptian company with a license to market petroleum products including fuels and lubricants, through a retail network of service stations under TAQA's brand name.

The Company is also the sole distributor of Castrol lubricants in Egypt since 2008.

Castrol Egypt has been established in 2018 with TAQA share 49.

The following summary describes the entities of each reportable segment:

Gas sector

- Trans Gas
- Master Gas
- TAQA Gas
- House Gas
- Pharaonic Gas
- TAQA Gas Services
- Qatar Gas Group

Operating segments (continued)

Power Sector

- Global for Energy
- TAQA Industrial zone
- TAQA for Electricity, Water, and cooling
- TAQA Arabia for Solar Energy
- TAQA Electricity, Generation and Distribution in Industrial Zones
- TAQA Electricity Generation and Distribution
- TAQA PV for Solar Energy

Fuel and lubricants

- TAQA for Marketing
- Castrol Egypt lubricants

Others

- TAQA Arabia Separate
- Fin Eng for Financial & Engineering Consultancy
- Gas and energy Group Limited.

Statement of financial position

Consolidated statement of financial position - At 31 December 2021

(All amounts in EGP)

	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	5	2,322,953,285	1,680,623,050
Assets under construction	6	310,976,916	548,034,097
Goodwill	8	393,100,684	393,100,684
Intangible assets	7	20,547,144	20,178,807
Right of use assets	10	469,464,899	347,420,549
Deferred tax assets	24	48,993,119	37,633,131
Financial assets at fair value through other comprehensive income	13	51,261,460	51,261,460
Other investments		803,000	803,000
Due from related parties - non current	14	39,200,000	39,200,000
Trade receivables and other debit balances	12	251,831,554	222,579,128
Total non-current assets		3,909,132,061	3,340,833,906
Current assets			
Inventories	11	408,698,349	337,982,635
Trade receivables and other debit balances	12	1,925,288,589	1,392,224,933
Investments in treasury bills		694,191,823	938,543,181
Cash on hand and at bank and highly liquid investment	15	4,984,964,775	2,079,387,806
Total current assets		8,013,143,536	4,748,138,555
Total assets		11,922,275,597	8,088,972,461
Equity			
Paid up capital		676,176,900	676,176,900
Share premium	20	6,501,700	6,501,700
Reserves		102,071,679	67,420,064
Retained earnings	21	773,421,760	707,544,547
Total equity attributable to owners of Taqa Arabia company		1,558,172,039	1,457,643,211
Non-controlling interests		233,537,481	180,686,662
Total equity		1,791,709,520	1,638,329,873
Non-current liabilities			
Borrowings	17	1,584,592,068	1,467,839,749
Long term liabilities	22	360,653,736	393,207,824
Lease liabilities	23	467,052,879	324,877,846
Deferred tax liabilities	24	92,537,144	52,309,627
Total non-current liabilities		2,504,835,827	2,238,235,046
Current liabilities			
Trade payables and other credit balances	18	2,904,361,841	2,592,413,885
Due to related parties	14	57,462,670	70,685,058
Bank facilities	16	4,131,012,473	1,153,812,764
Borrowings	17	212,883,190	142,409,515
Lease liabilities	23	41,403,959	22,945,682
Provisions	19	278,606,117	230,140,638
Total current liabilities		7,625,730,250	4,212,407,542
Total equity and liabilities		11,922,275,597	8,088,972,461

Deputy Chief Financial Officer	Chief Financial Officer	Managing Director
Mr. Ahmed El-Rouby	Mr. Peter Mofeed	Mrs. Pakinam Kafafi

Auditors' report attached

17 February 2022

Statement of profit and loss

Consolidated statement of profit or loss - For the year ended 31 December 2021			
(All amounts in EGP)			
	Notes	2021	2020
Revenues	27	9,102,016,307	7,923,733,500
Cost of revenues	28	(8,034,731,632)	(7,039,682,488)
Gross profit		1,067,284,675	884,051,012
Administrative expenses	29	(261,859,922)	(213,895,123)
Other expenses	30	(135,490,168)	(74,382,602)
Other income		4,751,811	14,479,750
Operating profit		674,686,396	610,253,037
Finance income		535,591,347	357,206,154
Finance costs		(493,989,039)	(372,583,813)
Finance income / (cost) - net	31	41,602,308	(15,377,659)
Profit for the year before income tax		716,288,704	594,875,378
Income tax	32	(181,950,213)	(147,416,179)
Net profit for the year		534,338,491	447,459,199
Profit attributable to			
Shareholders of the parent Company		479,879,017	409,992,204
Non-controlling interest		54,459,474	37,466,995
Net profit for the year		534,338,491	447,459,199
Basic earnings per share	33	0.355	0.303

Statement of comprehensive income

Consolidated statement of comprehensive income - For the year ended 31 December 2021			
(All amounts in EGP)			
	Notes	2021	2020
Net profit for the year		534,338,491	447,459,199
Other comprehensive income / (loss)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(838,489)	(16,246,005)
Derivative financial instruments - cash flow hedge		32,285,547	(34,191,969)
Other comprehensive income / (loss) for the year		31 447 058	(50,437,974)
Total comprehensive income for the year		565,785,549	397,021,225
Attributed to:			
Owners of the parent Company		498,934,077	386,122,487
Non-controlling interests		66,851,472	10,898,738
Total comprehensive income for the year		565,785,549	397,021,225

Statement of changes in equity

Consolidated statement of change in equity - For the year ended 31 December 2021										
(All amounts in EGP)			Reserves							
	Paid up capital	Share premium	Legal reserve	Translation reserve	Hedging reserve	Other reserve	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance at 31 December 2019	676,176,900	6,501,700	49,727,168	17,945,264	(35,671,685)	(2,670,051)	633,400,833	1,345,410,129	173,703,609	1,519,113,738
Changes in accounting policies	-	-	-	-	-	-	(23,738,650)	(23,738,650)	(3,915,685)	(27,654,335)
Restated balance at	676,176,900	6,501,700	49,727,168	17,945,264	(35,671,685)	(2,670,051)	609,662,183	1,321,671,479	169,787,924	1,491,459,403
1 January 2020										
Total comprehensive income for the year	-	-	-	(3,354,535)	(20,515,182)	-	409,992,204	386,122,487	10,898,738	397,021,225
Transfer to legal reserve	-	-	8,823,085	-	-	-	(8,823,085)	-	-	-
Reclassification for a spilt of TaQa for Electracity ,water and cooling - SAE (Subsidiary)	-	-	-	-	-	53,136,000	(53,136,000)	-	-	-
Dividends for shareholders	-	-	-	-	-	-	(210,000,000)	(210,000,000)	-	(210,000,000)
Board of directors and employees profit share	-	-	-	-	-	-	(40,150,755)	(40,150,755)	-	(40,150,755)
Balance at 31 December 2020	676,176,900	6,501,700	58,550,253	14,590,729	(56,186,867)	50,465,949	707,544,547	1,457,643,211	180,686,662	1,638,329,873
	-	-	-				-	-	-	-
Balance at 1 January 2021	676,176,900	6,501,700	58,550,253	14,590,729	(56,186,867)	50,465,949	707,544,547	1,457,643,211	180,686,662	1,638,329,873
Total comprehensive income for the year	-	-	-	(316,268)	19,371,328	-	479,879,017	498,934,077	66,851,472	565,785,549
Non controlling interest dividends	-	-	-	-	-	-	-	-	(14,000,653)	(14,000,653)
Adj	-	-	-	-	-	-	(629,690)	(629,690)	-	(629,690)
Transfer to legal reserve	-	-	15,596,555	-	-	-	(15,596,555)	-	-	-
Dividends for shareholders	-	-	-	-	-	-	(199,708,174)	(199,708,174)	-	(199,708,174)
Board of directors and employees profit share	-	-	-	-	-	-	(198,067,385)	(198,067,385)	-	(198,067,385)
Balance at 31 December 2021	676,176,900	6,501,700	74,146,808	14,274,461	(36,815,539)	50,465,949	773,421,760	1,558,172,039	233,537,481	1,791,709,520

Statement of Cash Flows

Consolidated statement of cash flows - For the year ended 31 December 2021			
(All amounts in EGP)			
	Notes	2021	2020
Cash flows from operating activities			
Net profit for the year before income tax		716,288,704	524,609,285
Adjustments for:			
Depreciation of property, plant and equipment	5	146,175,145	117,822,443
Amortization of intangible assets	7	4,576,539	5,108,067
Amortization of right of use	10	30,348,904	23,023,264
Impairment of trade receivables	(3.C)	-	5,919,770
Impairment of trade receivables no longer required		(133,935)	-
Provision formed	19	103,840,859	10,568,659
Provision formed - inventory		223,478	-
Provision no longer required - inventory	11	-	(300,560)
Provision formed - treasury bills	(3.C)	14,563,224	8,432,850
Provision no longer required - treasury bills	(3.C)	(13,459,630)	(12,407,196)
Provision no longer required	19	-	(1,700,000)
Loss on sale of property, plant and equipment		1,508,738	2,051,454
Interest expense for lease liabilities	23	43,098,507	32,301,135
Operating profit before changes in working capital		1,047,030,533	785,695,264
Changes in working capital			
Trade receivables and other debit balances		(562,182,147)	69,422,952
Inventories		(70,939,192)	44,568,524
Related parties		38,147,537	34,710,445
Trade payables and other credit balances		222,477,934	469,750,065
Board of directors and employees profit share		(198,067,385)	(40,150,755)
Provision used		(55,375,380)	(23,054,268)
Cash flows generated from operating activities		421,091,900	1,340,942,227
Income tax paid		(76,212,579)	(116,858,855)
Net cash flows generated from operating activities		344,879,321	1,224,083,372
Cash flows from investing activities			
Payments for purchase of property, plant and equipment and projects under construction		(560,450,839)	(492,729,584)
Investments in treasury bills		257,810,988	234,645,120
Payments for intangible assets		(612,260)	-
Proceeds from sale of property, plant and equipments		4,728,618	5,176,391
Net cash flows used in investing activities		(298,523,493)	(252,908,073)
Cash flows from financing activities			
Proceeds from borrowings		337,764,763	343,963,139
Repayment of borrowings		(149,803,031)	(86,835,353)
Bank facilities		2,977,199,709	(311,420,327)
Principal element of lease payment	23	(37,594,298)	(29,290,831)
Non controlling interest dividends		(14,000,653)	-
Dividends paid to shareholders		(239,391,871)	(210,000,000)
Net cash flows generated from / (used in) financing activities		**2,874,174,619**	**(293,583,372)**
Net changes in cash and cash equivalents		2,920,530,447	677,591,927
Cash and cash equivalents at the beginning of the year		1,698,670,985	1,034,172,473
Effects of exchange rate changes on cash and cash equivalents		(390,254)	(13,093,415)
Cash and cash equivalents at the end of the year	**15**	**4,618,811,178**	**1,698,670,985**
Non-cash transactions			
This amount has been excluded from Payments for intangible assets against the same amount from payment for additions for PUC		4,332,616	1,203,328
This amount has been excluded from ROU against the same amount from Lease liability as a result of the adoption of EAS 49		154,968,531	344,877,012
This amount has been excluded from trade and other receivable against the same amount from ROU as a result of the adoption of EAS 49		-	25,617,485
This amount has been excluded from long term liabilities against the same amount from other comprehensive income and DTA		41,638,830	34,191,969
This amount has been excluded from Board of directors and employees profit share and Dividends paid to shareholders against the same amount from Trade payables and other credit balances		39,683,697	-
This amount has been excluded from retained earning and non-controlling interest against the same amount from Loss allowance for trade receivables, treasury bills and time deposits as a result of changes in accounting policies		-	27,654,335

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