

El Sewedy Holding utility LTD
Dubai International Financial Center (DIFC)
Dubai, United Arab Emirates

Interim Financial Statements and Review Report
For the Period Ended On 31 December 2020

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Interim Financial Statements and Review Report for the period ended
on 31 Decmeber 2020

Table of contents

	<u>Page no.</u>
El Sewedy Holding utility LTD	
Director's Report	1 - 2
Review Report	3
Interim Statement of Financial Position	4
Interim Statement of Profit or Loss & Other comprehensive income	5
Interim Statement of Changes in Equity	6
Interim Statement of Cash Flow	7
Notes to the Interim Financial Statements	8-14

El Sewedy Holding utility LTD
Dubai International Financial Center (DIFC)

General Information

Principal office address : Unit GV-00-10-03-BC-02-0,
Level 3, Gate Village Building 10

Dubai International Financial Center (DIFC)
Dubai, United Arab Emirates

The Directors : Mr. Ahmed Ahmed Sadek Elsewedy
Mr. Hussein Mohamed Mahmoud Khalil

Auditors : Alsaadi & Associates Auditing,
Chartered Accountant,

Burlington Tower, Marasi Dr, Business Bay
Dubai, UAE
Office No. 1103
PO. Box Email Info@Alsaadi-auditing.com
93260 Web Site www.alsaadi-auditing.com

Directors's Report

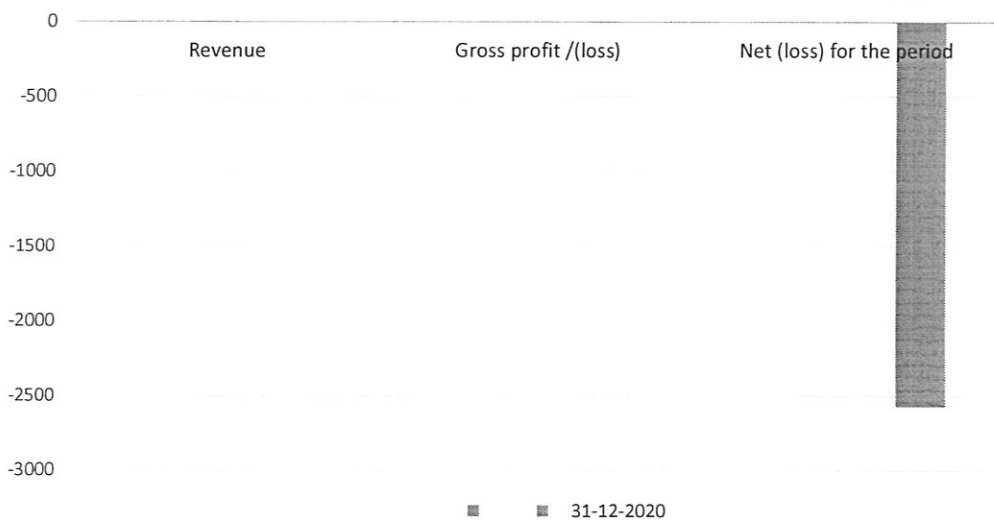
El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

The Director submits his report and interim financial statements for the period ended 31 Decembe
2020.

**Financial highlights of the Establishment
(Amounts in USD)**

El Sewedy Holding utility LTD	31-12-2020	Variance	Variance%
Revenue	-	-	0%
Gross profit /(loss)	-	-	0%
Net (loss) for the period	(2,572)	-	0%

**Results and distribution of profits**

The Company made a net loss of USD (2,572) for the period ended December 31, 2020.

Principal activities of the Entity:

The activities of the company is Holding Company and Investment in Commercial Enterprises & Management

Role of the Directors:

The Directors have the overall responsibilities for leading and supervising the Company for delivering sustainable shareholder value through its guidance and supervision of the business. The Directors set the strategies and policies of the Company, monitor performance of the Entity's business operations and guides and supervise its management.

Directors's Report (Continued)**Events after period end:**

In the opinion of the Directors, no transactions or events of a material and unusual nature, favorable or unfavorable has arisen in the interval between the end of the financial period and the date of this report that would likely affect substantially the result of the operations or the financial position of the Entity.

Statement of Directors' responsibilities:

The applicable requirements, requires the Directors to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the period or year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

Auditors

Al Saadi & Associates Auditing, Dubai, United Arab Emirates were the external auditors of the Entity for the period ending 31 Decmeber 2020 and the Directors propose their re-appointment for the next year.

On behalf of the Board of Directors

Mr. Ahmed Ahmed Sadek Elsewedy**Managing Director**

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders of
El Sewedy Holding utility LTD

Introduction

We have reviewed the accompanying interim statement of financial position of **El Sewedy Holding utility LTD, (DIFC)** as at **31 December 2020** and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month periods then ended and other explanatory information. Directors are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410. "Review of interim financial information performed by the independent auditor of the entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34. "Interim Financial Reporting".

For AL SAADI & ASSOCIATES AUDITING
Chartered Accountants
Signed by Ghada Lotfy Aly Shalaby
Entry Number 716



Dubai
United Arab Emirates
March 14, 2021

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Interim Statement of Financial Position as at 31 Decmeber 2020.

(In US Dollars)

	<u>Note</u>	<u>31-12-2020</u>
El Sewedy Holding utility LTD		
<u>Non-Current Assets</u>		
Total Non-Current Assets		-
<u>Current Assets</u>		
Due from related parties	5.1	10,000
Total Current Assets		10,000
TOTAL ASSETS		10,000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	6	10,000
Retained earnings / (losses)		(2,572)
Total Equity		7,428
<u>Non-Current Liabilities</u>		
Total Non-Current Liabilities		-
<u>Current Liabilities</u>		
Accrued and Other Payable	7	572
Due to related parties	5.2	2,000
Total Current Liabilities		2,572
Total Liabilities		2,572
TOTAL EQUITY AND LIABILITIES		10,000

The accompanying notes form an integral part of these interim Financial Statements.

Review Report for Financial Information set out on page 3.

The interim financial statements on pages 4 to 14 were approved on 14-03-2021

Mr. Ahmed Ahmed Sadek Elsewedy
Managing Director

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Interim Statement of Profit or Loss & Other Comprehensive Income for the period ended

31 Decmeber 2020.

(In US Dollars)

	<u>Note</u>	<u>From 23-03-2020</u> <u>Till 31-12-2020</u>
El Sewedy Holding utility LTD		-
Operating Cost		-
Gross Profit		-
General and Administrative Expenses	8	(2,572)
Operating (Loss)		(2,572)
Earnings/(loss) before tax and interests (EBIT)		(2,572)
Net (loss) for the period		(2,572)
Other Comprehensive Income		-
Total Comprehensive (Loss)		(2,572)

The accompanying notes form an integral part of these interim Financial Statements.
Review Report for Financial Information set out on page 3.

Mr. Ahmed Ahmed Sadek Elsewedy
Managing Director

El Sewedy Holding utility LTD
Dubai International Financial Center (DIFC)

Interim Statement of Changes in Equity for the period ended 31 Decemeber 2020
(In US Dollars)

	Share Capital	Retained Earnings / (losses)	Total
El Sewedy Holding utility LTD	10,000	-	10,000
Net (Loss) for the period	-	(2,572)	(2,572)
Balance as at 31 December 2020	10,000	(2,572)	7,428

The accompanying notes form an integral part of these interim Financial Statements.
Review Report for Financial Information set out on page 3.

Mr. Ahmed Ahmed Sadek Elsewedy
Managing Director

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Interim Statement of Cash Flow for the period ended 31 Decmeber 2020.

(In US Dollars)

	<u>31-12-2020</u>
El Sewedy Holding utility LTD	
Net (loss) for the period	(2,572)
Adjustments:	
Cash Inflow Before Working Capital Changes	<u>(2,572)</u>
<i>(Increase)/Decrease in Current Assets</i>	
<i>Increase/(Decrease) in Current Liabilities</i>	
Accrued and Other Payable	572
Net Cash Provided by Operating Activities	<u>(2,000)</u>
Cash Flows from Investing Activities	
Net Cash Used in Investing Activities	<u>-</u>
Cash Flows from Financing Activities	
El Sewedy Holding utility LTD	10,000
Due from related parties	(10,000)
Due to related parties	2,000
Net Cash Provided by/ (Used in) Financing Activities	<u>2,000</u>
Net Increase In Cash and Cash Equivalentts	-
Cash and Cash Equivalentts, Beginning of the period	-
Cash and Cash Equivalentts, End of the period	<u><u>-</u></u>

The accompanying notes form an integral part of these interim Financial Statements.

Review Report for Financial Information set out on page 3.

 Mr. Ahmed Ahmed Sadek Elsewedy

Managing Director

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

1- STATUS AND ACTIVITIES

El Sewedy Holding utility LTD

1.2 The activities of the company is Holding Company and Investment in Commercial Enterprises & Management.

1.3 The Managing directors of the company are Mr. Ahmed Ahmed Sadek Elsewedy (Egyptian Nationality) , and Mr. Hussein Mohamed Mahmoud Khalil (British Nationality).

1.4 Accounting period

These interim financial statements relate to the accounts for the period from 23 March 2020 to 31 Decmeber 2020.

2- BASIS OF PREPARATION OF FINANCIAL STATEMENTS**2.1 Statement of Compliance**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.2 Basis of Measurement

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis. The measurement bases are more fully described in the accounting policies that follow.

2.3 Functional and Presentation Currency

These financial statements are presented in US Dollars (USD) , which is the company's functional currency.

2.4 Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements.

2.5 Going concern

The financial statements are prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future.

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 Changes in accounting policies**

The accounting policies applied in the preparation of these financial statements are consistent with those applied by the Entity in its annual audited financial statements .

3.2 Foreign currencies

The financial statements are presented in US Dollars (USD) , which is the Entity 's functional and presentation currency. Transactions in foreign currencies are recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denomination in foreign currencies are converted at the rate of exchange ruling at the date of financial position. The resultant foreign exchange gains and losses are recognized in the Income statement.

3.3 Property, plant and equipment**(a) Cost and valuation**

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition or construction. Where items of property, plant and equipment are subsequently revalued such revalued property, plant and equipment are carried at revalued amounts less any subsequent depreciation thereon and impairment.

(b) Subsequent costs

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost can be reliably measured. Cost of repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

(c) Depreciation

a Depreciation on property, plant & equipment is provided on a straight line basis at the rates calculated to write off the cost of each asset by equal annual installments over its expected useful Management reviews the residual values and estimated useful lives at the end of each annual reporting period in accordance with IAS 16 and IAS 38. Management determined that current year expectations do not differ from previous estimates based on its review.

(d) Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.4 Impairment of non-financial assets**

Assets that have an indefinite useful life are not to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.5 Financial instruments

Financial assets and financial liabilities are recognized in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.6 Financial assetsInitial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Subsequent classification and measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Impairment of financial assets

The Entity has financial assets under "trade and other receivables" that are subject to the expected credit loss model under IFRS 9. The Entity has applied the simplified approach to measuring the expected credit losses which uses lifetime expected losses allowance for all trade receivables and financial investments. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables.

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired,
- The Entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement,
- The Entity has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Entity has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

3.7 Financial liabilitiesInitial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Entity's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Entity that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Entity has not designated any financial liability as at fair value through profit or loss.

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**•Loans and borrowings**

Term loans are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the interim consolidated income statement when the liabilities are derecognized as well as through the amortization process.

Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognized in the interim consolidated income statement.

3.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is a intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.9 Fair value of financial instruments

Management considers that the fair values of the Entity's financial assets and liabilities are not materially different from their carrying values in the date of statement of financial position.

3.10 Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in values.

3.11 Trade payables and accruals

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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.12 Provisions

Provisions are obligations of the Entity where the timing or amount (or both) of the obligation is uncertain.

Provision are recognized when the business has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliab'e estimate of the amount can be made. Provisions are not recognized for future operating losses.

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

4.1 New and revised IFRSs adopted on these financial statements

A number of new or amended standards became applicable for the current reporting period and the Entity amended its accounting policies and make adjustments as a result of adopting the following standards:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Clarifications to IFRS 15 'Revenue from Contracts with Customers'
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)
- Transfers of Investment Property (Amendments to IAS 40)
- Annual Improvements to IFRS Standards 2014-2016 Cycle (Amendments to IFRS 1and IAS 28)

The nature and the impact of each new standard or amendment is described below:

*** IFRS 9 Financial Instruments**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non financial items. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

*** IFRS 15 Revenue from Contracts with Customers**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue , IAS 11 Construction Contracts and related interpretations. The Entity has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 January 2018).

5- Related party transactions

The Company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the International Accounting Standards(IAS-24).

The summary of transactions entered into during the year/period and balances with related parties as at the statement of financial position dates are as under:

5.1 Due from related parties

Elsewedy Electric Holding LTD

Total

31-12-2020

10,000

10,000

5.2 Due to related parties

Elsewedy Electric International Business FZE

Total

2,000

2,000

El Sewedy Holding utility LTD

Dubai International Financial Center (DIFC)

Notes to the Interim Financial Statements for the Period ended 31 Decmeber 2020.

(In US Dollars)

6- Share Capital

	<u>No.of Shares</u>	<u>31-12-2020</u>
Elsowedy Electric Holding Ltd	100%	10,000
Total	100%	10,000

The initial share capital of the Company is ten thousand US Dollars (USD 10,000) represented by one hundred Shares of one hundred US Dollars (USD 100) each.

7- Accrued and Other Payable

	<u>31-12-2020</u>
Accrued Expenses	572
Total	572

8- General and Administrative Expenses

	<u>31-12-2020</u>
License Renewal Expenses	2,000
Professional fees	572
Total	2,572

9- Fair Value Measurement

The following methods and assumptions were used to estimate the fair values:

- Bank balance, due from/to related parties, trade and other receivables and trade and other payables carrying amounts approximate fair values due to short-term nature of the accounts.
- Refundable deposits - the fair value is estimated as the present value of the amount of estimated future cash flows expected to be received. As at financial position date, the carrying amounts of these instruments are not materially different from their calculated fair values.

10 - Financial Risk Management Objectives and Policies

The Company's policies on these risks arising from the Group's financial instruments follow:

- Foreign currency risk - The Company believes that its foreign currency exposures are within conservative limits.
- Credit risk - The Company's financial assets are considered high grade.
- Liquidity risk - The Company's financial liabilities are all due within one year from the financial position date.

11 - Commitments

Except for ongoing business obligations which are under normal course of business against which no loss is expected, there has been no known contingent liability or capital commitment of the Entity's account as of reporting date.

12 - Events After the Reporting Period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

13 - General

This first-Period of audit report covers the period from 23-03-2020 (Issue Date) till 31-12-2020.