

**TELECOM EGYPT COMPANY
AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION PREPARED
IN ACCORDANCE WITH IFRS

FOR THE PERIOD ENDED MARCH 31, 2022

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information
For the period ended March 31, 2022

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**Report on Review of the Interim Condensed
Consolidated Financial Information
To the Shareholders of Telecom Egypt Company****Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Telecom Egypt Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at March 31, 2022, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim condensed consolidated 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.

Basis for Qualified Conclusion

As disclosed in Note 7 to the interim condensed consolidated financial information, the Group has an investment in an associate, Vodafone Egypt Telecommunications Company S.A.E. (the "Associate"), with a carrying amount of EGP 11,248 million as at March 31, 2022. The Group accounted for the investment in Associate using the equity method of accounting and recorded its share of profit of EGP 326 million during the three-month period ended March 31, 2022 based on financial information received from the Associate's management. We were not provided access to review the Associate's financial information as at and for the three-month period ended March 31, 2022, and accordingly, we were not able to perform any review procedures thereon. Our audit opinion on the December 31, 2021 consolidated financial statements of the Group was also modified with respect of this matter.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

**Report on Review of the Interim Condensed
Consolidated Financial Information
To the Shareholders of Telecom Egypt Company (continued)**

Other Matters

- i. The interim condensed consolidated financial information of the Group for the three-month period ended March 31, 2021 were reviewed by another auditor in accordance with International Financial Reporting Standards, who expressed an unmodified conclusion in their review report dated October 13, 2021 on the interim condensed consolidated financial information.
- ii. The interim condensed consolidated financial information of the Group for the three-month period ended March 31, 2022, was reviewed by another auditor in accordance with Egyptian Accounting Standards, who expressed a qualified conclusion in their review report dated May 30, 2022 on the interim condensed consolidated financial information.

GRANT THORNTON

GRANT THORNTON

**Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates**

February 23, 2023



Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Interim Condensed Consolidated Statement of Financial Position
As at March 31, 2022

(Amounts in thousands of Egyptian Pound)	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited) (Restated)	January 1, 2021 (Audited) (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	5	49,136,974	49,042,335	43,925,237
Right-of-use-assets		734,474	721,211	509,954
Intangible assets	6	14,641,659	12,261,340	9,978,602
Investments in associates	7	11,256,420	10,925,722	12,270,440
Financial assets at fair value through other comprehensive income		74,856	74,856	74,856
Deferred tax assets	8	456,289	167,807	131,959
Trade and other receivables	9	54,723	48,203	53,334
		<u>76,355,395</u>	<u>73,241,474</u>	<u>66,944,382</u>
Current assets				
Inventories		2,568,661	2,341,976	2,092,242
Financial assets at amortized cost		604,304	-	-
Trade and other receivables	9	14,490,118	10,778,644	12,163,757
Amounts due from an associate	10	851,685	-	-
Cash and cash equivalents	11	2,559,331	2,983,337	2,003,432
		<u>21,074,099</u>	<u>16,103,957</u>	<u>16,259,431</u>
TOTAL ASSETS		<u>97,429,494</u>	<u>89,345,431</u>	<u>83,203,813</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		17,070,716	17,070,716	17,070,716
Reserves		5,488,953	5,318,610	4,989,962
Retained earnings		17,283,518	20,898,024	15,061,574
Equity attributable to Owners of the Company		<u>39,843,187</u>	<u>43,287,350</u>	<u>37,122,252</u>
Non-controlling interests		10,194	12,503	15,095
Total equity		<u>39,853,381</u>	<u>43,229,853</u>	<u>37,137,347</u>
Non-current liabilities				
Loans and borrowings	13	13,391,121	10,987,784	3,278,144
Lease liabilities		747,205	737,235	546,382
Other payables	14	5,488,991	4,241,851	5,065,367
Deferred income	15	272,552	243,988	273,577
Deferred tax liabilities	8	3,256,581	3,161,466	2,392,317
		<u>23,156,450</u>	<u>19,372,324</u>	<u>11,555,787</u>
Current Liabilities				
Trade and other payables	14	19,722,586	16,438,467	13,272,581
Loans and borrowings	13	7,108,777	5,333,249	17,009,238
Deferred income	15	4,143,203	1,096,554	1,218,721
Accrued income tax		1,881,681	1,239,015	514,359
Provisions		1,443,014	1,399,218	1,102,476
Lease liabilities		120,402	119,285	61,384
Amounts due to an associate	10	-	1,047,466	1,331,920
		<u>34,419,663</u>	<u>26,673,254</u>	<u>34,510,679</u>
Total liabilities		<u>57,576,113</u>	<u>46,045,578</u>	<u>46,066,466</u>
TOTAL EQUITY AND LIABILITIES		<u>97,429,494</u>	<u>89,345,431</u>	<u>83,203,813</u>

Ehab
Ehab Abdo
Director of
Financial Affairs

Wael Hanafy
Wael Hanafy
Senior Director
of Financial
Affairs

Mohamed
Mohamed
Shamroukh
Chief Financial
Officer

Adel Hamed
Adel Hamed
Managing Director
and Chief
Executive Officer

Maged
Maged
Osman
Chairman

The accompanying notes on pages from 7 to 17 from an integral part of these interim condensed consolidated financial information.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

**Interim Condensed Consolidated Statement of Profit or Loss
and Other Comprehensive Income**
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)	Three-month period ended March 31, 2022 (Unaudited)	Three-month period ended March 31, 2021 (Unaudited) (Restated)
Revenue	9,417,153	8,399,081
Cost of revenue	(5,869,431)	(4,783,223)
GROSS PROFIT	3,547,722	3,615,858
Selling and distribution expenses	(956,173)	(798,234)
Administrative expenses	(990,486)	(892,129)
Other expenses	(109,304)	(24,996)
Impairment loss on trade and other receivables	(69,549)	(106,746)
Other income	140,207	324,053
OPERATING PROFIT	1,562,417	2,117,806
Finance income	64,074	12,294
Finance costs	(282,157)	(364,984)
Translation (loss)/gain on foreign currency balances and transactions	(3,043,241)	354,788
Share of profit of associates, net of tax	330,698	799,380
(LOSS)/PROFIT BEFORE INCOME TAX	(1,368,209)	2,919,284
Income tax expense	(505,822)	(982,633)
NET (LOSS)/PROFIT FOR THE PERIOD	(1,874,031)	1,936,651
Other comprehensive income – that may be re-classified to P&L in subsequent periods		
Exchange difference on translation of foreign operations	137,626	(9,001)
Other comprehensive income, net of tax	137,626	(9,001)
Total comprehensive (loss)/income	(1,736,405)	1,927,650
Net (loss) / profit attributable to:		
Owners of the Company	(1,874,519)	1,935,795
Non-controlling interests	488	856
	(1,874,031)	1,936,651
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(1,736,893)	1,926,794
Non-controlling interests	488	856
	(1,736,405)	1,927,650
Earnings per share		
Basic (loss)/earnings per share (EGP)	(1.1)	1.13
Diluted (loss)/earnings per share (EGP)	(1.1)	1.13

The accompanying notes on pages from 7 to 17 from an integral part of these interim condensed consolidated financial information.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Interim Condensed Consolidated Statement of Changes in Equity
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)	Share capital	Legal reserve	Translation reserve	Other reserve	Retained earnings	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at January 1, 2022	17,070,716	2,351,347	(40,563)	2,787,550	21,125,743	43,294,793	12,503	43,307,296
Effect of restatement (Note 19)	-	220,276	-	-	(227,719)	(7,443)	-	(7,443)
Balance at January 1, 2022 (Restated)	17,070,716	2,571,623	(40,563)	2,787,550	20,898,024	43,287,350	12,503	43,299,853
Loss for the period	-	-	-	-	(1,874,519)	(1,874,519)	488	(1,874,031)
Other comprehensive income for the period	-	-	137,626	-	-	137,626	-	137,626
Total comprehensive income	-	-	137,626	-	(1,874,519)	(1,736,893)	488	(1,736,405)
Transfer to legal reserves	-	32,717	-	-	(32,717)	-	-	-
Dividends (Note 12)	-	-	-	-	(1,707,072)	(1,707,072)	(2,797)	(1,709,869)
Impact of investments evaluation disposal in a subsidiary	-	-	-	-	(198)	(198)	-	(198)
Balance as at March 31, 2022 (Unaudited)	17,070,716	2,604,340	97,063	2,787,550	17,283,518	39,843,187	10,194	39,853,381

(Amounts in thousands of Egyptian Pound)	Share capital	Legal reserve	Translation reserve	Other reserve	Retained earnings	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Balances at January 1, 2021	17,070,716	2,241,767	(25,489)	2,787,550	15,068,057	37,142,601	15,095	37,157,696
Effect of restatement (Note 19)	-	(17,941)	4,075	-	(6,483)	(20,349)	-	(20,349)
Balance at January 1, 2021 (Restated)	17,070,716	2,223,826	(21,414)	2,787,550	15,061,574	37,122,252	15,095	37,137,347
Profit for the period (Restated)	-	-	-	-	1,935,795	1,935,795	856	1,936,651
Other comprehensive loss for the period	-	-	(9,001)	-	-	(9,001)	-	(9,001)
Total comprehensive income (Restated)	-	-	(9,001)	-	1,935,795	1,926,794	856	1,927,650
Transfer to legal reserve	-	92,494	-	-	(92,494)	-	-	-
Dividends (Note 12)	-	-	-	-	(1,280,304)	(1,280,304)	(5,374)	(1,285,678)
Balance as at March 31, 2021 (Unaudited) (Restated)	17,070,716	2,316,320	(30,415)	2,787,550	15,624,571	37,768,742	10,577	37,779,319

The accompanying notes on pages from 7 to 17 form an integral part of these interim condensed consolidated financial information.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Interim Condensed Consolidated Statement of Cash Flows
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)	Three-month period ended March 31, 2022 (Unaudited)	Three-month period ended March 31, 2021 (Unaudited) (Restated)
Operating activities		
Cash receipts from customers	9,274,497	9,007,141
Stamp tax and fees collected (from third parties)	56,274	37,626
Deposits collected from customers	11,830	8,523
Cash paid to suppliers	(3,093,278)	(2,616,514)
Payments of NTRA license fees	(217,548)	(590,156)
Cash paid to Board of Directors	(27,089)	(17,166)
Cash paid to employees	(1,891,274)	(1,363,224)
Cash paid on behalf of employees to third parties	(319,942)	(285,598)
Interest paid	(201,977)	(329,425)
Payments to Tax Authority - income tax	(33,629)	(77,663)
Payments to Tax Authority - value added tax	(309,661)	(411,841)
Payments to Tax Authority - other taxes	(559,607)	(556,998)
Other (payments) proceeds, net	(66,342)	622,612
Net cash flows from operating activities	2,622,254	3,427,317
Investing activities		
Payments for purchase of property, plant and equipment	(3,088,437)	(3,263,359)
Payments for purchase of intangible assets	(1,719,720)	(2,422,300)
Proceeds from sale of property, plant and equipment and intangible assets	22	18
Payments for purchase of financial assets at amortized cost	(597,889)	-
Interest received	4,487	13,626
Dividends received from associates	-	809,245
Proceeds from sale of financial assets at amortized cost	7,642	477
Net Cash used in investing activities	(5,393,895)	(4,862,293)
Financing activities		
Payments of lease liabilities	(66,115)	(60,530)
Payments for loans	(382,816)	(354,114)
Proceeds from credit facilities	2,771,228	1,288,582
Dividends paid to shareholders	-	(773)
Net cash flows from financing activities	2,322,297	873,165
Net decrease in cash and cash equivalents	(449,344)	(561,811)
Cash and cash equivalents at the beginning of the period	2,922,993	1,936,943
Effect of movements in exchange rate on cash	24,294	(5,492)
Cash and cash equivalents at the end of the period	2,497,943	1,369,640

The accompanying notes on pages from 7 to 17 from an integral part of these Interim condensed consolidated interim financial information.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information
For the period ended March 31, 2022

1 Legal status and principal activities

Telecom Egypt Company (the “Company”) and its subsidiaries (collectively referred to “Group”) is an Egyptian Joint Stock Company registered in the Arab Republic of Egypt and is engaged in the provision of public communications and associated products and services. The Company is subject to the provisions of the Companies Law No. 159 of 1981 and Capital Market Law No. 95 of 1992 and is registered in the Commercial Register under number 3930, Cairo, Egypt.

The registered office of the Company is 26 Ramses Street, Cairo, Egypt.

The Company’s authorised, issued and fully paid-up share capital amounting to EGP 17,070.716 million is, represented in 1,707.0716 million shares of par value EGP 10 each.

The nominal shares for the Company are traded in the Egyptian Stock Exchange and London Stock Exchange.

As at March 31, 2022, 80% shareholding of the Company is held by the Government of Egypt (December 31, 2021: 80%) and 20% is held by other private investors (December 31, 2021: 20%), whom are listed on the Egypt Stock Exchange (“Egyptian Exchange”), while its global depositary receipts are also listed on the London Stock Exchange (each consisting of five ordinary shares).

The main purpose of the Company represents in the following:

- Owning, setting up, operating, maintenance and development of telecommunication networks and infrastructure necessary for communication services for using and / or managing and / or leasing to others and / or dealing on them.
- Providing voice, video and data transmission telecommunication services to subscribers and / or managing and / or leasing to others and / or dealing on them.
- Participating or contributing to global communication systems, such as: - submarine cables and satellites and obtaining capacities or circuits for using and / or managing and / or leasing to others and / or dealing on them.
- Dealing or contracting or participating with authorities, agencies, companies, organizations or any entity exercising an activity similar to or identical to the company's activities or relates or assists the company to achieve its purposes either in Arab Republic of Egypt or abroad.
- Managing, selling, leasing, purchasing, possessing, renting and dealing on any property and rights or benefit or right in any property. Including the movable and immovable property which could be acquired or owned by the company.
- Selling, purchasing and distributing of fixed line sets, mobile phones and computers, its peripherals, accessories and supplies, complementary devices and necessary spare parts and related maintenance works.
- Setting up voice, video and written data transmission networks and providing value-added services, content services, marketing, electronic signature and online money transfer.
- Real estate investment for serving its purposes and executing its projects.

The Group has prepared and published a separate set of interim condensed consolidated financial information in accordance with Egyptian Accounting Standards for the three-month period ended March 31, 2022.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the period ended March 31, 2022

2 Basis of preparation and summary of significant accounting policies

Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The interim condensed consolidated financial information does not include all of the information required for full annual interim consolidated financial information prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

Accounting policies, related adjustments, judgements, estimates and assumptions adopted in the preparation of these interim condensed consolidated financial information are same as those applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2021.

The interim condensed consolidated financial information have been prepared on accrual basis and under the historical cost convention except for financial assets measured at fair value through profit or loss (FVTPL), which are measured at fair value.

Functional and presentation currency

The interim consolidated financial information is presented in Egyptian Pounds ("EGP"), which is also the Group's functional currency. All values are rounded to the nearest thousand except where otherwise indicated.

Basis of consolidation

The interim condensed consolidated financial information incorporates the financial information of the Company and entities controlled by the Company. Control is achieved where the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

Significant accounting estimates and judgments

The preparation of the interim condensed consolidated financial information in conformity with IAS 34, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

3 Standards, Amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

As at the date of authorization of the interim condensed consolidated financial information several new, but not yet effective, Standards, Amendments and Interpretations to existing standards have been published by International Accounting Standards Board ("IASB"). These amendments have neither been adopted early by the Group nor are these expected to have a significant impact on the financial information of the Group in the period of initial application.

4 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)

5 Property, plant and equipment

During the period ended March 31, 2022, the Group acquired various property, plant and equipment amounting to EGP 1,432,555 (period ended March 31, 2021: EGP 3,749,531).

Depreciation charge on property, plant and equipment for the period ended March 31, 2022, amounting to EGP 1,363,292 (period ended March 31, 2021: EGP 1,036,398).

6 Intangible assets

During the period ended March 31, 2022, the Group acquired various intangible assets amounting to EGP 2,679,948 (period ended March 31, 2021: EGP 54,803).

Amortisation charge on intangible assets for the period ended March 31, 2022, amounting to EGP 303,367 (period ended March 31, 2021: EGP 179,982).

7 Investments in associates

The Group has the following investments in associates:

	Ownership		Carrying amount	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Vodafone Egypt Telecommunication Company S.A.E	44.95%	44.95%	11,248,471	10,922,615
Egypt Trust	35.71%	35.71%	6,699	1,857
New matrix for technology	25.50%	25.50%	1,250	1,250
Wataneya for Telecommunication*	50.00%	50.00%	-	-
			<u>11,256,420</u>	<u>10,925,722</u>

*Investment in Wataneya for Telecommunication amounting to EGP 0.125 million was fully impaired as at March 31, 2022 and December 31, 2021.

Vodafone Egypt Telecommunications Company S.A.E.

The investment in Vodafone Egypt represents the ownership of 107,869,799 shares as at March 31, 2022 and December 31, 2021. The movement in the investment for the period is as follows:

	March 31, 2022	December 31, 2021
As at January 1,	10,922,615	12,269,190
Share of profit	325,856	3,148,000
Dividends received	-	(4,494,575)
	<u>11,248,471</u>	<u>10,922,615</u>

Vodafone Egypt Telecommunications Company S.A.E. is engaged in the telecommunication and related activities in Egypt and is a subsidiary of Vodafone Group PLC.

8 Deferred tax assets and liabilities

	Assets		Liabilities	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Total deferred tax assets/(liabilities)	456,289	167,807	(3,256,581)	(3,161,466)

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)

9 Trade and other receivables

	March 31, 2022	December 31, 2021
Trade receivables – National	4,906,639	3,139,308
Trade receivables – International	3,148,542	2,896,418
Notes receivable	246,491	1,116
Trade and notes receivable	8,301,672	6,036,842
Advance payments to suppliers	1,035,129	655,282
Deposits	318,684	322,333
Due from ministries, organizations, companies and franchises	1,535,612	448,006
Withholding tax	1,504,648	1,371,473
Value added tax	787,371	1,070,223
Others	1,061,725	922,688
	6,243,169	4,790,005
	14,544,841	10,826,847

Trade and other receivables are classified as follows:

Non-current	54,723	48,203
Current	14,490,118	10,778,644
	14,544,841	10,826,847

10 Related parties

The Group has a relationship with its associate, Vodafone Egypt Telecommunications Company S.A.E. and other related party.

Transactions with Associates

During the period ended March 31, 2022, the Group incurred expenses of EGP 309 million (March 31, 2021: EGP 439 million) in relation to receipt of telecommunication and related services from Vodafone Egypt Telecommunications Company S.A.E. The Group earned revenue of EGP 1,644 million from telecommunication and related services provided to Vodafone Egypt Telecommunications Company S.A.E. during the period ended March 31, 2022 (March 31, 2021: EGP 352 million).

The balance due from Vodafone Egypt Telecommunications Company S.A.E. at March 31, 2022 is EGP 852 million (December 31, 2021: EGP Nil). The balance due to Vodafone Egypt Telecommunications Company S.A.E. as at March 31, 2022 is EGP Nil (December 31, 2021: EGP 1,047 million).

Key management compensation

During the period ended March 31, 2022, the Group incurred salaries, allowances and other benefits to its key management personnel, and included these expenses within salaries and wages in the consolidated statement of profit or loss and other comprehensive income.

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)

11 Cash and cash equivalents

	March 31, 2022	December 31, 2021
Bank balances	1,518,109	1,217,633
Time deposits (less than 3 months) *	548,384	665,256
Cash in hand	10,467	5,474
Treasury bills (less than 3 months) *	381,125	965,568
Money market funds (less than 3 months) *	101,246	129,406
Cash and cash equivalents	2,559,331	2,983,337
Restricted cash	(61,388)	(60,344)
Cash and cash equivalents in the consolidated statement of cash flows	2,497,943	2,922,993

*Time deposits, treasury bills and money market funds carry interest at market prevailing rates.

Restricted cash represents bank balances under the specific instructions to the Group's bankers by multiple government departments and agencies, against claimed taxes, duties, fees and other charges payable by the Group in the normal course of its business activities. These bank balances would be released for use subsequently upon settlement of the relevant outstanding obligations.

12 Dividends

Dividends of EGP 1,707.072 million were declared by the Company during the period ended March 31, 2022 (March 31, 2021: EGP 1,280.304 million).

13 Loans and borrowings

	March 31, 2022	December 31, 2021
Non-current liabilities		
Foreign loans	10,192,292	9,254,582
Foreign facilities	3,198,829	1,733,202
	13,391,121	10,987,784
Current liabilities		
Foreign loans	2,334,384	1,853,704
Local bank facilities	3,992,467	1,398,198
Local banks' foreign facilities	780,316	2,079,942
Foreign suppliers' facilities	1,610	1,405
	7,108,777	5,333,249

Telecom Egypt Company and its subsidiaries
Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the period ended March 31, 2022

(Amounts in thousands of Egyptian Pound)

14 Trade and other payables

	March 31, 2022	December 31, 2021 (Restated)
Liability towards acquisition of assets	11,609,169	11,068,114
Local suppliers	2,474,508	2,086,155
Notes payable	67,671	56,487
Trade payables and notes payables	14,151,348	13,210,756
Accrued expenses	1,289,967	1,608,350
Taxes payable	1,578,128	975,791
Deposits	581,436	567,692
Customers advances	3,086,404	1,988,688
Dividends payable	1,716,030	4,064
Liabilities for early retirement scheme	13,574	24,385
Due to National Telecommunication Regulatory Authority (NTRA)*	1,206,042	1,183,210
Others	1,588,648	1,117,382
	11,060,229	7,469,562
	25,211,577	20,680,318
Trade and other payables are classified as follows:		
Non-current	5,488,991	4,241,851
Current	19,722,586	16,438,467
	25,211,577	20,680,318

*Due to National Telecommunication Regulatory Authority (NTRA) represents variable portion of license renewal fees payable at specified percentage of revenues of the Group for the relevant years.

15 Deferred income

	March 31, 2022	December 31, 2021
Internet and telecommunications services	627,967	599,925
Operating services and maintenance	313,506	277,215
Mobile services	288,876	269,866
Transmission services	3,183,438	191,437
Customers compensations	1,968	2,099
	4,415,755	1,340,542
Deferred income is classified as follows:		
Non-current	272,552	243,988
Current	4,143,203	1,096,554
	4,415,755	1,340,542

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16 Capital commitments

The Group's capital commitments for the unexecuted parts of contracts as at March 31, 2022 amounted to EGP 397 million (EGP 385 million as at December 31, 2021).

17 Contingencies

The Company has the following contingent liabilities:

	March 31, 2022	December 31, 2021
Letters of guarantee issued by banks on behalf of the Group	2,876,533	2,619,125
Letters of credit	1,942,006	876,808

Letters of guarantee, which were issued by banks on behalf of the Company and for the benefits of others include letters of guarantee, have been issued against restricted cash and cash equivalent at banks.

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18 Segment information

Operating activities are managed by operating segments at the group activates level as integrated activity, based on the nature of product and the service provided. The segment reporting is prepared according to services provided by activities as a group as follows:

- Communications, marine cables and infrastructure services.
- Internet services.
- Outsourcing services.
- Others

As at March 31, 2022

	Communication, marine cables and infrastructure	Internet	Outsourcing	Others	Total
Revenue					
Cost of revenue	26,474	3,371,121	145,151	4,976	3,547,722
GROSS PROFIT	53,055	3,498	5,186	2,335	64,074
Finance income	(277,024)	(1,418)	(2,768)	(947)	(282,157)
Finance costs	(2,954,972)	(132,770)	17,566	26,935	(3,043,241)
Translation (loss)/gain on foreign currency balances and transactions	(1,501,625)	(163,373)	(42,069)	(5,214)	(1,712,281)
Depreciation and amortization	330,698	-	-	-	330,698
Share of profit from associates					
Total assets	92,331,714	3,844,902	784,274	468,604	97,429,494
Total liabilities	52,898,255	2,800,940	444,685	1,432,233	57,576,113

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18 Segment information (continued)

As at March 31, 2021

	Communication, marine cables and infrastructure	Internet	Outsourcing	Others	Total
Revenue	5,309,899	2,823,771	256,172	9,239	8,399,081
Cost of revenue	(3,873,545)	(785,564)	(116,234)	(7,880)	(4,783,223)
GROSS PROFIT	1,436,354	2,038,207	139,938	1,359	3,615,858
Finance income	2,720	2,049	566	6,959	12,294
Finance costs	(363,621)	-	-	(1,363)	(364,984)
Translation gain/(loss) on foreign currency balances and transactions	349,444	7,558	270	(2,484)	354,788
Depreciation and amortization	(1,155,660)	(67,023)	(16,825)	(1,956)	(1,241,464)
Share of profit from associates	799,380	-	-	-	799,380
Total assets	83,007,569	3,431,839	697,573	350,317	87,487,298
Total liabilities	45,276,450	2,393,290	369,335	1,226,192	49,265,267

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Notes to the Interim Condensed Consolidated Financial Information (continued)
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19 Comparative figures

Restatement and reclassifications were made to certain comparative figures of the consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of cash flows to comply to the current presentation of the interim condensed consolidated financial information.

The followings are the effects of restatement and reclassifications on the interim condensed consolidated financial information:

<i>Effect on the consolidated statement of financial position as at January 1, 2021</i>	As previously reported	Restatement	Reclassification	As currently reported
Trade and other receivables	12,392,654	-	(175,563)	12,217,091
Reserves	(5,003,828)	13,866	-	(4,989,962)
Retained earnings	(15,068,057)	6,483	-	(15,061,574)
Trade and other payables	(19,027,870)	-	689,922	(18,337,948)
Deferred tax liabilities	(2,371,968)	(20,349)	-	(2,392,317)
Accrued income tax	-	-	(514,359)	(514,359)
<i>Effect on the consolidated statements of financial position as at December 31, 2021</i>	As previously reported	Restatement	Reclassification	As currently reported
Trade and other receivables	11,093,954	-	(267,107)	10,826,847
Reserves	(5,098,334)	(220,276)	-	(5,318,610)
Retained earnings	(21,125,743)	227,719	-	(20,898,024)
Trade and other payables	(22,186,440)	-	1,506,122	(20,680,318)
Deferred tax liabilities	(3,154,023)	(7,443)	-	(3,161,466)
Accrued income tax	-	-	(1,239,015)	(1,239,015)
<i>Effect on the consolidated statement of profit or loss and other comprehensive income for the period ended March 31, 2021</i>	As previously reported	Restatement	Reclassification	As currently reported
Cost of revenue*	(4,923,666)	61,031	79,412	(4,783,223)
Selling and distribution expenses	(764,320)	-	(33,914)	(798,234)
Administrative expenses	(846,631)	-	(45,498)	(892,129)
<i>Effect on consolidated statement of cash flows for the period ended March 31, 2021</i>	As previously reported	Restatement	Reclassification	As currently reported
Cash paid to suppliers	(2,635,839)	-	19,325	(2,616,514)
Purchase of intangible assets	(2,453,622)	-	31,322	(2,422,300)
Payments for lease liabilities	(9,883)	-	(50,647)	(60,530)

*During the year ended December 31, 2021, internal technical department of the Group identified certain discrepancies in the property, plant and equipment, and intangible assets registers of Telecom Egypt Company and WE Data. Consequently, corrective measures were taken through making amendments and passing adjustments in the system. Accordingly, the figures related to property, plant and equipment, and intangible assets have been restated to the effect.

The restatement has resulted in change in retained earnings and depreciation expense of March 31, 2021 by EGP 61 million.

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20 Significant change in exchange rates

The Central Bank of Egypt, in its session held on March 21, 2022, devalued the Egyptian Pound against other foreign currencies, with an objective of providing flexibility to the banks operating in Egypt and promoting flow of foreign exchange through legitimate channels. The exchange rates announced by the Central Bank of Egypt were as follows:

	March 31, 2022		December 31, 2021	
	Sell	Buy	Sell	Buy
USD	18.2683	18.1708	15.74	15.64
EURO	20.168	20.057	17.87	17.67

Accordingly, the Group have incurred foreign exchange losses amounting to EGP'000 3,043,241 for the period ended March 31, 2022.

Subsequent to period end, and on October 27, 2022, The Central Bank of Egypt announced the flotation of EGP. The EGP has devalued by more than 70% since March 31, 2022. The indicative exchange rates announced by the Central Bank of Egypt for the most significant foreign currencies, in which the Group deals, are as follows:

	January 31, 2023		December 31, 2022	
	Sell	Buy	Sell	Buy
USD	30.1	30.00	24.76	24.68
EURO	32.63	32.37	26.35	26.26

As a result of the afore-said devaluation of Egyptian Pound, the Group's business results were affected in subsequent periods, as significant portion of its monetary assets and liabilities are held in foreign currencies and a sizable part of its operations are carried out outside Egypt. The Group have incurred foreign exchange losses around EGP 10 billion during the year ended December 31, 2022.