

Translated from Arabic

Egypt Kuwait Holding Company
and its subsidiaries
Condensed consolidated interim financial statements
For the financial period ended at March 31, 2024
and independent auditor's report on the condensed
consolidated interim financial statements

Translated from Arabic

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LIMITED REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF EGYPT KUWAIT HOLDING COMPANY AND ITS SUBSIDIARIES

Introduction

We have performed a limited review on the accompanying interim condensed consolidated statement of financial position of **Egypt Kuwait Holding (An Egyptian Joint Stock Company) (the “Company”) and its subsidiaries (collectively, the “Group”)** as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statements in accordance with Egyptian Accounting Standard No 30: Interim Financial Reporting (“EAS 30”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with the Egyptian standard on review engagements (2410) “Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”. A limited review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian 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 on these interim condensed consolidated financial statements.

The financial statements for the year ended 31 December 2023 and the period ended 31 March 2023 were audited by another auditor who expressed an unqualified opinion / conclusion on those financial statements and his report was dated on 25 February 2024 and 15 May 2023.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the condensed consolidated financial position of the company as of 31 March 2024 and of its condensed consolidated financial performance and its interim condensed consolidated cash flows for the three-month period then ended in accordance with Egyptian Accounting Standard No 30: Interim Financial Reporting (“EAS 30”).

Auditor



Ashraf Mohamed Ismail
FESAA-FEST
(RAA. 9380)
(FRAR. 102)

Cairo: 15 May 2024



Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)

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Condensed consolidated statement interim of financial position as of March 31, 2024

All numbers are in US Dollars	Note No.	31/3/2024	31/12/2023
Assets			
Non-current assets			
Fixed assets and projects under construction	(10)	235 292 413	306 946 205
Goodwill		42 205 107	46 483 377
Right of use assets		4 970 153	6 733 286
Biological assets	(11)	1 952 473	2 256 495
Exploration & development assets	(12)	170 742 408	171 678 272
Equity - accounted investees (associate companies)	(13)	22 604 058	22 636 331
Investments at fair value through other comprehensive income	(14)	6 434 430	7 777 077
Other financial assets at amortized cost	(15)	100 415 661	140 504 790
Trade & notes receivables		7 051 662	10 328 333
Total non-current assets		591 668 365	715 344 166
Current assets			
Inventories		82 561 254	98 480 238
Work in progress	(16)	29 387 215	30 135 533
Investments at fair value through other comprehensive income	(14)	-	23 358 160
Financial assets at amortized cost	(15)	277 612 494	338 312 729
Investments at fair value through profit or loss	(17)	4 318 974	9 590 950
Trade & notes receivables		124 666 702	137 023 422
Other current assets		62 540 407	80 251 828
Cash and cash equivalents	(18)	331 432 376	313 230 734
Total current assets		912 519 422	1 030 383 594
Total assets		1 504 187 787	1 745 727 760
Equity and Liabilities			
Equity of the Parent Company :			
Issued & paid in capital	(19)	281 721 321	281 721 321
Legal reserve	(20)	137 960 942	133 896 975
Other reserves	(21)	(603 077 882)	(449 887 827)
Retained earnings		476 274 992	509 941 818
Treasury shares	(22)	(336 858)	(3 349 840)
Total equity of the Parent Company		292 542 515	472 322 447
Non-controlling interests	(7)	132 174 279	167 725 197
Total equity		424 716 794	640 047 644
Liabilities			
Non-current liabilities			
Loans and bank facilities	(23)	351 751 840	375 902 034
Suppliers, contractors, notes payable and other creditors		3 495 633	4 877 492
Lease contracts liabilities		4 662 974	7 873 567
Deferred tax liabilities	(24)	19 582 766	18 620 986
Total non-current liabilities		379 493 213	407 274 079
Current liabilities			
Accrued income tax		45 896 187	51 945 944
Loans and bank Facilities	(23)	218 663 607	255 418 743
Suppliers, contractors, notes payable and other creditors		320 197 928	249 728 900
Insurance policyholders' rights		56 547 392	83 465 043
Lease contracts liabilities		2 083 386	1 168 296
Provisions		56 589 280	56 679 111
Total current liabilities		699 977 780	698 406 037
Total liabilities		1 079 470 993	1 105 680 116
Total equity and liabilities		1 504 187 787	1 745 727 760

* The accompanying notes are an integral part of these Condensed consolidated interim financial statements and to be read therewith.

Group Chief Financial Officer
Medhat Hamed Bonna

Managing Director
Jon Rokk

Chairman
Loay Jassim Al-Kharafi

*Independent auditor's report on review of condensed consolidated interim financial statements is attached



Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)

Condensed Consolidated interim statement of profit or loss for the financial Period ended March 31, 2024

All numbers are in US Dollars	Note No.	The three months ended 31/3/2024	The three months ended 31/3/2023
Revenues	(3)	180 284 650	215 016 254
Cost of revenue recognition	(4)	(107 928 310)	(116 867 802)
Gross profit		72 356 340	98 148 452
Income from investments	(5)	12 308 164	9 338 413
Other income		2 356 802	1 272 911
Selling and distribution expenses		(1 231 426)	(1 298 528)
General and administrative expenses		(20 449 302)	(20 473 692)
(Charge) / Reversal of expected credit loss		(2 285 448)	123 750
Other expenses		(4 845 915)	(316 687)
Net operating profit		58 209 215	86 794 619
<u>Financing income / (costs)</u>			
Finance income		50 467 680	18 856 895
Finance cost		(14 748 528)	(13 905 100)
Net Finance cost		35 719 152	4 951 795
Company's share of profit of equity-accounted investees		460 345	498 213
Net profit for the year before income tax		94 388 712	92 244 627
Income tax	(6)	(22 412 172)	(21 118 099)
Net profit for the year		71 976 540	71 126 528
Net profit attributable to:			
Owners of the Parent Company		62 614 092	60 023 603
Non-controlling interests	(7)	9 362 448	11 102 925
Net profit for the year		71 976 540	71 126 528
Basic / Diluted earnings per share (US Cent / Share)	(8)	4.96	4.78

* The accompanying notes are an integral part of these Condensed consolidated interim financial statements and to be read therewith.

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)

Condensed Consolidated interim statement of comprehensive income for the financial Period ended March 31, 2024

		The three months ended	The three months ended
	Note No.	31/3/2024	31/3/2023
All numbers are in US Dollars			
Net profit for the year		71 976 540	71 126 528
Other comprehensive income (loss)			
Items that will not be reclassified to statement of income			
Investments at fair value through other comprehensive income		(1 084 221)	67 919
		(1 084 221)	67 919
Items may be subsequently reclassified to statement of income			
Investments at fair value through other comprehensive income		286 426	(6 056 767)
Foreign currency translation differences		(170 404 624)	(95 860 815)
		(170 118 198)	(101 917 582)
Total other comprehensive loss for the year after deducting tax		(171 202 419)	(101 849 663)
Total comprehensive income		(99 225 879)	(30 723 135)
Total comprehensive income attributable to:			
Owners of the holding company		(90 575 963)	(30 918 811)
Non-controlling interests	(7)	(8 649 916)	195 676
Total comprehensive income		(99 225 879)	(30 723 135)

* The accompanying notes are an integral part of these Condensed consolidated interim financial statements and to be read therewith.

Condensed Consolidated Interim Statement of Changes in Equity for the Financial Period ended March 31, 2024

All numbers are in US Dollars

	Net No.	Issued and paid in capital	Legal reserve	Special reserve - share premium	General reserve	Other reserves	Translation reserve	Total	Retained earnings	Treasury share	Total equity of the parent Company	Non-controlling interests	Total equity
Balance as of January 1, 2023		281 721 321	129 587 671	57 954 547	8 380 462	(6 110 170)	(359 088 201)	(298 863 362)	453 510 010	(738 398)	564 217 260	278 846 545	843 063 795
Total comprehensive income													
Net profit for the year	-	-	-	-	-	-	-	-	60 023 603	-	60 023 603	11 102 925	71 126 528
Other comprehensive loss	-	-	-	-	-	(6 519 909)	(84 422 505)	(90 942 414)	-	-	(90 942 414)	(10 907 349)	(101 849 663)
Total comprehensive income (loss)	-	-	-	-	-	(6 519 909)	(84 422 505)	(90 942 414)	60 023 603	-	(30 918 811)	195 676	(30 723 135)
Transactions with owners of the Company													
Transferred to legal reserve	-	-	4 309 304	-	-	-	-	-	(4 309 304)	-	(4 309 304)	-	(4 309 304)
Shareholders' dividends	-	-	-	(57 954 547)	(8 380 462)	-	-	(66 335 009)	(57 622 373)	-	(123 957 382)	-	(123 957 382)
Employees and board members' dividends	-	-	-	-	-	-	-	-	(29 231 028)	-	(29 231 028)	(4 814 650)	(34 045 678)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	(13 978 949)	-	(13 978 949)	(63 536 848)	(76 515 797)
Total transactions with owners of the Company	-	-	4 309 304	(57 954 547)	(8 380 462)	-	-	(66 335 009)	(105 141 654)	-	(167 167 359)	(67 351 498)	(234 518 857)
Other changes													
Non-controlling interests in subsidiaries' dividends	-	-	-	-	-	-	-	-	-	-	-	(22 158 523)	(22 158 523)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	6 964 355	6 964 355
Total other changes	-	-	-	-	-	-	-	-	-	-	-	(15 194 168)	(15 194 168)
Balance as of December 31, 2023		281 721 321	133 896 975	-	-	(12 630 079)	(443 510 706)	(456 140 785)	407 391 959	(738 390)	366 131 080	196 496 555	562 627 635
Balance as of January 1, 2024		281 721 321	133 896 975	-	-	(8 934 846)	(440 932 983)	(449 887 827)	399 941 818	(3 349 840)	472 322 447	167 725 197	640 047 644
Comprehensive income													
Net profit for the year	-	-	-	-	-	-	-	-	62 614 092	-	62 614 092	9 362 448	71 976 540
Other comprehensive loss	-	-	-	-	-	(783 681)	(152 406 374)	(153 190 055)	-	-	(153 190 055)	(18 012 364)	(171 202 419)
Comprehensive income	-	-	-	-	-	(783 681)	(152 406 374)	(153 190 055)	62 614 092	-	(90 575 963)	(8 649 916)	(99 225 879)
Transactions with owners of the Company													
Transferred to legal reserve	-	-	4 063 967	-	-	-	-	-	(4 063 967)	-	-	-	-
Shareholders' dividends	-	-	-	-	-	-	-	-	(67 592 622)	-	(67 592 622)	-	(67 592 622)
Employees and board members' dividends	-	-	-	-	-	-	-	-	(24 638 980)	-	(24 638 980)	(3 174 814)	(27 813 794)
Sale of treasury shares	-	-	-	-	-	-	-	-	14 651	5 873 635	5 888 286	-	5 888 286
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(2 860 653)	(2 860 653)	-	(2 860 653)
Total transactions with owners of the Company	-	-	4 063 967	-	-	-	-	-	(96 280 918)	3 012 982	(89 203 969)	(3 174 614)	(97 378 583)
Other changes													
Non-controlling interests in subsidiaries' dividends	-	-	-	-	-	-	-	-	-	-	-	(22 006 044)	(22 006 044)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1 720 344)	(1 720 344)
Total other changes	-	-	-	-	-	-	-	-	-	-	-	(23 726 388)	(23 726 388)
Balance as of December 31, 2023		281 721 321	137 960 942	-	-	(9 738 525)	(593 339 357)	(603 077 882)	476 274 992	(336 858)	299 542 515	132 174 279	432 716 794

* The accompanying notes are an integral part of these Condensed consolidated interim financial statements and to be read therewith.

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)

Condensed consolidated interim statement of cash flows for the financial Period ended March 31, 2024

		The three months ended 31/3/2024	The three months ended 31/3/2023
All numbers are in US Dollars	Note No.		
<u>Cash flows from operating activities</u>			
Net profit for the year before income tax		94 388 712	92 244 627
<u>Adjustments for:</u>			
Depreciation and amortization		14 588 022	14 991 395
Company's share of profit of equity-accounted investees (associate companies)		(460 345)	(498 213)
Changes in fair value of investments at fair value through profit or loss		63 755	934 401
(Profit) Loss from sale of investments at fair value through other comprehensive income		353 236	(689 952)
Capital gain		(102 633)	(7 728)
Other income		(469 775)	-
Changes in fair value of biological assets		(474 495)	-
Foreign currency exchange losses		(40 587 789)	-
Impairment losses in the value of exploration assets		(12 725 155)	(9 169 783)
Income from financial assets at amortized cost		-	(314 086)
Income on the sale of financial assets at amortized cost		-	(98 993)
Charge/ (Reversal) of expected credit loss		4 708	(123 750)
Financing expenses		14 748 528	13 905 100
Finance income		(4 195 369)	(4 558 487)
		<u>65 131 400</u>	<u>106 614 531</u>
<u>Change in:</u>			
Investments at fair value through profit or loss		321 311	(70 665 959)
Trade & notes receivables		(20 958 563)	(28 268 402)
Other current assets		9 693 804	2 367 522
Inventories		2 933 965	(6 831 789)
Work in progress		(52 198)	(3 035 165)
Suppliers, contractors, notes payable & other credit balances		49 784 456	(1 932 652)
Insurance policyholders' rights		2 551 443	(19 974 099)
Provisions		3 239 866	(1 236 046)
Cash from operating activities		<u>112 645 484</u>	<u>(22 962 059)</u>
Income taxes paid		(1 993 869)	(6 258 235)
Net cash from operating activities		<u>110 651 615</u>	<u>(29 220 294)</u>
<u>Cash flows from investing activities</u>			
Collected interest		5 565 971	4 558 487
Payments for additions of fixed assets and projects under construction	(9)	(5 109 365)	(6 535 782)
Payments for additions of biological assets		(33 937)	(318 764)
Payments for additions of exploration & development assets		(6 629 712)	(3 821 858)
Proceeds from sale of fixed assets		382 703	226 861
Net proceeds from other investments		59 941 344	101 870 043
Net cash from investing activities		<u>54 117 004</u>	<u>95 978 987</u>
<u>Cash flows from financing activities</u>			
Proceeds from loans and bank facilities		70 989 630	71 810 063
Payments for loans and bank facilities		(135 482 163)	(55 493 707)
Payments of non-controlling interests		(38 714)	(69 551 440)
Restricted cash		(5 106 795)	78 061 201
Lease contracts liabilities		(215 523)	(1 185 707)
Proceeds from sale of treasury shares		5 888 286	-
Payments for purchase of treasury shares		(2 860 653)	-
Dividends paid		(27 813 595)	(7 654 323)
Net cash used in financing activities		<u>(94 639 527)</u>	<u>15 986 087</u>
Net change in cash and cash equivalents during the year		70 129 092	82 744 780
Foreign currency translation differences of cash and cash equivalents		(55 610 811)	(29 030 430)
Cash and cash equivalents at beginning of the year		311 633 636	371 689 902
Cash and cash equivalents at end of the year	(18)	<u>326 151 917</u>	<u>425 404 252</u>

* The accompanying notes are an integral part of these Condensed consolidated interim financial statements and to be read therewith.

Egypt Kuwait Holding Co. (An Egyptian Joint Stock Company)
Notes to the condensed consolidated interim financial statements
for the financial Period ended March 31, 2024
All amounts are in US Dollars unless otherwise mentioned.

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1- Company's background and activities

- Egypt Kuwait Holding Company "The Parent Company" was incorporated by virtue of the Chairman of General Investment Authority's resolution No. 197 of 1997, according to the provisions of Investment Law No. 230 of 1989 and according to Law No. 72 of 2017, concerning Investment Incentives & Guarantees and Law No. 95 of 1992 concerning Capital Markets. The Company was registered in Giza Governorate Commercial Registry under No. 114 648 on 20/7/1997. The duration of the Company according to the Company's Statute, is 25 years starting from the date of registration in the Commercial Registry.
- On March 31, 2022, the General Assembly of the shareholders of the Holding Company approved the extension of the duration of the Company for an additional 25 years.
- The Parent Company is listed in the Egyptian Stock Exchange of the Arab Republic of Egypt and Kuwait Stock Exchange.
- The financial statements prepared in accordance with Egyptian accounting standards are published on the Egyptian Stock Exchange, and the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) are published on the Kuwait Stock Exchange.
- The registered office of the Company is located at 14 Hassan Mohamed El Razaz St.-Dokki-Egypt. Mr. Loay Jassim Al-Kharafi is the Chairman of the Company.

2- Basis of preparation of the consolidated financial statements

2-1 Compliance with the Accounting Standards and laws

- The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standard no. 30 "Interim Financial Statements" as a condensed form compared to the Group's annual consolidated financial statements and in the light of prevailing Egyptian laws and regulations.
- These condensed consolidated interim financial statements do not include all of the information required and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2023.
- The consolidated financial statements were authorized for issue by the Board of Directors on May 14, 2024.

2-2 Bases of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for the following:

- Financial assets and liabilities that are recorded at fair value through profit or loss.
- Financial assets and liabilities that are recorded at fair value through other comprehensive income.
- For the presentation purposes, the current and non-current classification has been used in the condensed consolidated statement of financial position, the expenses are shown in the condensed consolidated statement of profit or loss according to its function, the indirect method was used in presenting condensed consolidated statements of cash flows.

2-3 Functional and presentation currency

- These consolidated financial statements are presented in USD which is the Holding Company's functional currency.

2-4 Significant accounting policies applied.

The accounting policies applied when preparing the condensed consolidated interim financial statements on March 31, 2024, are the same accounting policies applied when preparing the annual consolidated financial statements on December 31, 2023, and these policies have been consistently followed for all periods presented in those condensed consolidated interim financial statements on March 31, 2024

2-5 Use of judgments, and estimates

- In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the 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.
- Information about estimates, assumptions and personal judgment used in applying accounting policies that have a significant impact on the values presented in condensed consolidated interim financial statements are included in the following notes:
 - Measure expected credit losses.
 - Deferred tax assets.
 - Lease contract
 - The useful lives of fixed assets and other assets.
 - Investments accounted for using the equity method (Associate companies).
 - Biological assets.
 - Provisions and contingent liabilities.
 - The impairment in the value of non-financial assets
 - Estimate the net realizable value of the inventory.
 - Revenue recognition.
 - The goodwill

2-6 Measurement of fair values

Certain number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to fair values measurement. This includes the presence valuation team that has overall responsibility for reviewing all fair values according to the different levels in the hierarchies referred to below, and a report of those values and methods of measuring them will be issued directly to the board of directors. A report on the material matters related to the evaluation process will be issued to the Internal Audit Committee.

Accreditation is measured in the fair value of assets and liabilities mainly on available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs of the quoted prices included in level (1) that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.

Egypt Kuwait Holding Co. (An Egyptian Joint Stock Company)
Notes to the condensed consolidated interim financial statements
for the financial period ended March 31, 2024
All amounts are in US Dollars unless otherwise mentioned.

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3- Revenues

	Segment name	The Three-months ended on 31/3/2024	The Three-months ended on 31/3/2023
Revenues recognized at point in time			
Fertilizer's activity	Chemicals and fertilizers sector	60 702 287	77 150 972
Chemicals and plastics activity	Chemicals and fertilizers sector	42 122 145	60 227 683
Insurance activity	Insurance sector	13 076 408	10 571 154
Electricity activity	Energy sector	13 823 296	11 393 048
Cooling by natural gas activity	Energy sector	192 702	114 537
Microfinance activity	Insurance sector	3 289 003	2 504 327
Drilling and petroleum services activity	Energy sector	25 137 840	31 757 416
Wood processing activity	Wood processing	734 642	618 430
Other activities	Others	76 011	100 601
Total revenues recognized at a point in time		159 154 334	194 438 168
Revenues recognized over time			
Gas Distribution	Energy sector	19 343 883	20 463 161
Other activity revenues	Other operations	1 786 433	114 925
Total revenues recognized over time		21 130 316	20 578 086
Total revenues		180 284 650	215 016 254

4- Cost of revenue recognition

	The Three- months ended on 31/3/2024	The Three- months ended on 31/3/2023
Fertilizer's activity	33 211 589	45 139 849
Chemicals and plastics activity	24 014 635	22 881 154
Gas distribution activity	13 200 890	14 069 812
Electricity activity	9 759 264	7 421 731
Drilling and petroleum services activity	14 157 261	16 234 396
Insurance activity	7 980 501	8 535 839
Cooling by natural gas activity	200 636	212 621
Microfinance activity	2 938 377	1 909 068
Other activity	2 465 157	463 332
	107 928 310	116 867 802

5- Income from investments

	The Three- months ended on 31/3/2024	The Three- months ended on 31/3/2023
Income from financial assets at amortized cost	12 725 155	783 169 9
Gain from investments at fair value through profit or loss	-	314 086
Change in fair value of financial assets at fair value through profit or loss	(63 755)	(934 401)
Income from investments at fair value through other comprehensive income	(353 236)	689 952
Income from sale of financial assets at amortized cost	-	98 993
	12 308 164	9 338 413

6- Income tax

	The Three- months ended on 31/3/2024	The Three- months ended on 31/3/2023
Current income tax expense	18 302 437	21 368 803
Deferred income tax expense (benefit)	4 109 735	(250 704)
	22 412 172	21 118 099

March 31, 2024	Noncontrolling interest %	New current assets	Current assets	New current liabilities	Current liabilities	Net assets *	Contributions and withdrawals	New controlling interest assets	Total revenues	Net profit *	Contributions and withdrawals	New controlling interest profit	New controlling interest share of OCI	New controlling interest share of FOL
Natural Gas Co. (Nigam)	%0.00	44,447,177	20,110,791	8,147,246	48,479,726	62,878,424	-	60,640,164	13,251,280	10,646,217	-	1,244,479	6,440,274	13,779,240
Qibor for Communications & Information Technology Co.	%1.00	-	1,043,711	-	78	1,043,564	-	1,462	13,118,919	8,244,296	-	-	6,130,961	41
NKCO Co.	%0.00	12,888,794	8,710,841	-	129,648,814	89,754,822	-	241	1,112,919	8,244,296	-	-	6,130,961	41
Cooling Technology by Natural Gas Co. (Gas Tech)	%1.00	44,729	3,641,211	2,147	3,679,493	7,109,136	-	287,101	192,762	9,417	-	1,036	6,440,274	1,036
Gas Co.	%0.00	-	346,107	-	-	44,107	-	4,129	4,279	2,348	-	-	6,440,274	42
EI Foyoum Gas Co. S.A.E.	%25.01	2,241,119	22,711,420	1,876,041	23,587,461	6,768,447	-	1,409,725	4,234,906	179,017	-	1,786,741	6,440,274	1,786,741
Reinhold Oil Kuwait	%0.25	121,449,821	490,706,113	11,340,452	257,741,341	64,366,468	-	18,818,430	69,792,247	6,114,072	-	1,979,915	6,440,274	1,979,915
Abu Fort	%21.49	64,645,107	147,146,944	6,144,018	147,146,944	244,161,421	-	49,718,315	69,792,247	6,114,072	-	4,377,845	6,440,274	4,377,845
Duba Insurance	%0.61	23,464,652	79,780,799	19,796,706	68,779,796	13,733,997	-	14,257,146	16,078,446	1,821,000	-	1,904,441	6,440,274	1,904,441
EI Shorouk for Materials & Resins Co.	%0.95	881,325	2,344,424	68,749	1,420,569	1,771,878	-	75,447	1,021,060	188,251	-	9,222	6,440,274	9,222
MKCO Energy	%18.70	42,694,811	20,750,348	13,641,113	36,275,869	144,718,019	-	1,786,017	19,096,021	3,744,225	-	119,277	6,440,274	119,277
Gas Line	%0.42	20,750,320	13,254,206	-	1,518,545	17,146,246	-	3,206,447	19,096,021	3,744,225	-	2,348,844	6,440,274	2,348,844
Al Nubara for Natural Gas Co. S.A.E.	%0.02	4,113	3,349,644	1,736,711	600,832	4,688,689	-	750,431	89,841	94,793	-	94,793	6,440,274	94,793
Al Wafanah for Electric Technology Co. (Kahmab) S.A.E.	%0.84	41,629,770	20,272,706	8,147,246	29,463,949	4,688,689	-	1,409,725	1,821,206	2,348,844	-	6,440,274	6,440,274	6,440,274
Kahmab Future	%0.84	-	770,361	-	-	246,290	-	3,211	-	-	-	-	6,440,274	-
Qibor MDP	%0.20	2,441,211	7,141,250	24,442,017	2,441,254	9,214,896	-	3,409,913	734,442	2,247,796	-	1,419	6,440,274	1,419
Moder Steel Oil Refining Company	%0.42	-	201,714	-	3,761	202,715	-	3	-	-	-	-	6,440,274	-
Advanced Gas Pipeline	%0.14	-	13,019	-	-	13,071	-	6,440	-	-	-	-	6,440,274	-
AD Astar	%0.00	245	1,040,706	-	11,011,443	148	-	3,206,447	3,206,447	3,206,447	-	3,206,447	6,440,274	3,206,447
December 31, 2023														
Natural Gas Co. (Nigam)	%0.00	47,947,241	9,110,175	1,971,914	71,124,486	64,741,414	-	1,712,740	11,848,452	3,455,864	-	6,440,274	6,440,274	6,440,274
Qibor for Communications & Information Technology Co.	%0.00	-	297,617	-	781	296,725	-	2,407	1,821,980	9,746,019	-	-	6,440,274	-
NKCO Co.	%0.00	1,011,311,470	84,634,914	-	1,354,442,892	81,699,512	-	454	1,821,980	9,746,019	-	-	6,440,274	-
Cooling Technology by Natural Gas Co. (Gas Tech)	%0.00	74,195	6,604,116	3,447	3,664,075	3,148,811	-	412,479	1,821,980	9,746,019	-	-	6,440,274	-
Gas Co.	%0.00	-	819,791	-	-	819,791	-	6,362	-	-	-	-	6,440,274	-
EI Foyoum Gas Co. S.A.E.	%22.00	411,317	29,469,711	8,351	29,469,711	9,467,865	-	2,079,137	8,451,013	9,008,110	-	1,419	6,440,274	1,419
Reinhold Oil Kuwait	%0.13	1,011,044,342	491,986,724	3,447,110	279,219,844	355,219,832	-	18,424,611	1,821,980	9,746,019	-	1,419	6,440,274	1,419
Abu Fort	%21.49	69,684,151	170,355,619	7,440,110	77,714,442	272,242,018	-	30,448,944	89,841	94,793	-	94,793	6,440,274	94,793
Duba Insurance	%0.61	45,171,070	181,067,742	1,604,831	147,277,824	46,252,515	-	19,510,131	1,821,980	9,746,019	-	1,419	6,440,274	1,419
EI Shorouk for Materials & Resins Co.	%0.95	7,440,110	4,447,114	1,604,831	1,821,980	2,148,318	-	1,821,980	1,821,980	1,821,980	-	1,821,980	6,440,274	1,821,980
MKCO Energy	%18.70	45,113,834	29,609,272	8,441,446	144,413,844	1,027,78,789	-	13,131,948	1,821,980	1,821,980	-	1,821,980	6,440,274	1,821,980
Gas Line	%0.42	19,503,322	13,355,796	-	2,806,355	47,991,445	-	3,141,522	6,199	7,347	-	7,347	6,440,274	7,347
Al Nubara for Natural Gas Co. S.A.E.	%0.02	3,113	3,349,644	1,736,711	1,400,805	1,712,445	-	3,212,342	11,193,448	1,193,448	-	1,193,448	6,440,274	1,193,448
Al Wafanah for Electric Technology Co. (Kahmab) S.A.E.	%0.84	42,716,397	49,008,641	5,441,716	79,314,429	49,442,346	-	1,821,980	-	-	-	-	6,440,274	-
Kahmab Future	%0.84	-	429,001	-	7,113	431,114	-	1,821,980	-	-	-	-	6,440,274	-
Qibor MDP	%0.20	71,146,817	11,115,446	14,440,447	27,446,441	10,422,446	-	2,409,725	618,442	1,247,106	-	1,247,106	6,440,274	1,247,106
Moder Steel Oil Refining Company	%0.42	-	270,444	-	7,198	281,446	-	5	-	-	-	-	6,440,274	-
Advanced Gas Pipeline	%0.14	-	13,019	-	331,130	317,099	-	1,193,448	-	-	-	-	6,440,274	-
AD Astar	%0.00	-	-	-	-	-	-	5,414,146	-	-	-	-	6,440,274	-

*The value of net assets after deducting the amount of minority interest within the companies.

**The value of the net profit after deducting the amount of minority interest within the companies.

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8- Basic / Diluted earnings per share of profits (US Cent / Share)

The calculation of basic / diluted earnings per share of profits was based on the profit attributable to shareholders and number of outstanding shares as follows:

	The Three- months ended on 31/3/2024	The Three- months ended on 31/3/2023
Net profit for the year (owners of the parent Company)	62 614 092	60 023 603
Employees and board member's share in profit of the parent company – proposed / approved	(2 919 264)	(2 047 007)
Employees and board member's share in profit in subsidiaries – proposed / approved	(3 841 658)	(4 112 738)
Shareholder's share in net profit for the year	156 858 456	53 863 858
Weighted average number of shares outstanding*	1 125 921 673	1 126 320 287
Basic earnings per share of profits (US cent / Share)	4,96	4,78

* Weighted average number of outstanding shares is calculated as follows:

	The Three- months ended on 31/3/2024	The Three- months ended on 31/3/2023
Issued shares at the beginning of the year	1 126 245 283	1 126 320 287
Weighted average treasury shares sold during the year	(895 745)	-
Weighted average treasury shares purchased during the year	572 135	-
Weighted average number of shares outstanding during the year	1 125 921 673	1 126 320 287

9- Non-cash transactions:

For the purpose of preparing the consolidated statement of cash flows for the financial year ended December 31st, 2023, the effect of the following amounts has been excluded from investing activities as they represent non-cash transactions:

<u>Amount</u>	<u>Investment activities</u>
305 218	Addition of fixed assets and projects under construction – recorded in Suppliers, contractors, notes payable and other creditors
67 592 622	Dividends to shareholders of the holding company for the year 2023 - included in the item "Suppliers, contractors, notes payable, and other creditors."

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Notes to the condensed consolidated interim financial statements (Cont.) for the financial period ended March 31, 2024

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10- Fixed assets and projects under construction

	Land	Buildings and constructions	Vehicles and transportation	Furniture and office equipment	Machinery and equipment	Tools and supplies	Stations, generators & electric transformers	Computer, software & databases	Landhold improvements	Irrigation network	Projects under construction	Total
Cost as of 1/1/2023	26 626 731	58 862 906	10 198 522	6 521 080	344 921 610	2 011 380	56 844 744	11 530 583	1 478 361	3 190 206	111 926 771	633 912 894
Additions	50 488	5 201 291	762 452	738 405	83 937 756	216 492	2 369 285	756 481	237 976	-	-	64 270 726
Change in projects under construction	-	-	-	-	-	-	-	-	-	-	41 342 596	41 382 396
Disposals	(65 335)	-	(154 260)	(226 765)	(3 838 543)	-	-	(8 492)	-	-	-	(4 313 395)
Effect of movement in exchange rates	(3 297 697)	(2 044 341)	(808 324)	(1 035 831)	(258 089)	(28 298)	(15 267 161)	(682 831)	(15 442)	(474 085)	(52 822 449)	(76 754 438)
Cost as of 31/12/2023	23 314 287	62 019 856	9 998 490	5 976 899	394 742 734	2 199 574	43 946 868	11 395 741	1 700 895	2 716 121	100 406 718	658 498 183
Additions	1 500	109 688	667 382	252 903	172 548	49 749	117 426	163 670	-	-	3 674 499	1 534 866
Change in projects under construction	-	-	-	-	-	-	-	-	-	-	-	3 574 499
Disposals	-	(236 598)	(30 020)	(1 477)	(139 404)	-	-	(5 658)	-	-	-	(413 157)
Effect of movement in exchange rates	(4 580 231)	(3 904 048)	(1 480 375)	(1 400 006)	(21 094 788)	(342 291)	(15 220 325)	(1 504 436)	(37 934)	(120 945)	(33 160 181)	(82 864 560)
Cost as of 31/3/2024	18 735 556	57 988 898	9 155 477	4 828 319	373 681 090	1 907 032	28 843 969	10 649 317	1 662 961	2 586 176	70 901 036	580 339 831

Accumulated depreciation and impairment losses as of 1/1/2023	-	35 605 249	8 243 682	4 881 356	261 277 995	1 599 494	14 671 556	8 494 237	1 174 224	646 969	459 995	337 085 057
Depreciation	-	2 046 262	625 504	451 208	19 253 176	166 906	2 238 683	988 979	78 618	299 540	-	26 168 876
Accumulated depreciation of disposals	-	(134 650)	(82 600)	(202 420)	(3 557 877)	-	-	(10 085)	-	-	-	(3 987 632)
Effect of movement in exchange rates	-	(501 722)	(501 945)	(604 369)	1 299 642	(19 010)	(6 708 100)	(409 288)	(15 442)	(128 807)	(95 282)	(7 684 323)
Accumulated depreciation and impairment losses as of 31/12/2023	-	37 025 139	8 284 641	4 525 775	278 272 936	1 747 390	10 202 439	9 063 843	1 237 400	817 702	364 713	351 531 978
Depreciation	-	540 363	146 927	134 984	4 980 709	37 356	492 147	249 153	25 054	68 972	-	6 675 645
Accumulated depreciation of disposals	-	(3 794)	(29 766)	(1 327)	(92 547)	-	-	(5 658)	-	-	-	(133 087)
Effect of movement in exchange rates	-	(976 241)	(979 088)	(949 666)	(4 990 844)	(215 243)	(3 645 716)	(974 893)	(16 123)	(299 324)	-	(115 047 138)
Accumulated depreciation and impairment losses as of 31/3/2024	-	36 595 467	7 422 714	3 709 771	278 170 254	1 569 503	7 048 870	8 322 445	1 246 531	587 250	364 713	345 047 418
Carrying amount as of December 31, 2023	23 314 287	24 994 717	1 713 849	1 451 124	116 469 798	452 184	33 744 429	2 231 878	443 495	1 898 419	100 122 005	306 946 205
Carrying amount as of March 31, 2024	18 735 556	21 393 431	1 732 763	1 118 348	95 310 836	337 329	21 795 099	1 716 872	416 630	1 998 826	70 536 323	235 292 413

11- Biological assets

	31/3/2024	31/12/2023
Tree forests	145 601	222 526
Wages, salaries, and consultations	591 901	879 525
Fertilizers and pesticides	113 049	186 695
Equipment rent	87 603	149 314
Right of use assets' amortization	101 899	152 265
Usufruct benefit	229 271	331 493
Property plant and equipment' depreciation	527 599	812 699
Other	201 179	283 163
Change in fair value	(45 629)	(761 185)
	1 952 473	2 256 495

- This balance is represented in the acquisition cost of the tree forest (Camphor, Casuarina and Sesbania trees) which is located on plots of land leased by one of the Group's companies. The group's management reclaimed and cultivated an area of 2,652 acres with tree forests; below are the key assumptions used in measurement of the fair value, as significant unobservable inputs were used:
 - All crops are still in the experimental cultivation stage.
 - All Sesbania trees crops are still in the first agricultural cycle.
 - There is no possibility to estimate the productivity of an acre to a reasonable degree.
 - Based on technical opinion as at the reporting date, the highest productivity for an acre at the time of expected harvest was estimated.
 - Lack of an active market for all planted crops.
 - It is not possible to determine a comparative price.

Fair value measurement

- The biological assets were classified in the third level of the fair value model based on the inputs of the valuation methods used.
- The total losses and profits resulting from that classification were included in the other income item in the consolidated financial statements.

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Notes to the condensed consolidated interim financial statements (Cont.) for the financial Period ended March 31, 2024

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12- Exploration and development assets

<u>Cost</u>	<u>Producing wells</u>	<u>Exploration wells</u>	<u>Development wells</u>	<u>Equipment / field services</u>	<u>Pipelines</u>	<u>Projects under construction</u>	<u>Total</u>
As of 1/1/2023	141 474 165	79 576 014	5 290 971	30 279 573	6 405 858	4 719 059	267 745 640
Additions	1 899 652	-	-	668 338	-	-	2 567 990
Change in projects under constructions	-	-	-	-	-	34 529 275	34 529 275
As of 31/12/2023	143 373 817	79 576 014	5 290 971	30 947 911	6 405 858	39 248 334	304 842 905
As of 1/1/2023	143 373 817	79 576 014	5 290 971	30 947 911	6 405 858	39 248 334	304 842 905
Additions	535 756	-	-	871 728	-	-	1 407 484
Disposals	-	-	-	-	-	-	-
Change in projects under constructions	-	-	-	-	-	5 222 228	5 222 228
As of 31/3/2024	143 909 573	79 576 014	5 290 971	31 819 639	6 405 858	44 470 562	311 472 617
<u>Accumulated amortization, depletion, and impairment losses</u>							
As of 1/1/2023	72 965 839	8 415 089	1 036 741	1 872 652	1 565 764	-	85 856 085
Amortization and depletion	18 462 545	5 953 927	807 930	7 663 948	1 220 197	-	34 108 547
Impairment Losses	3 507 421	485 636	2 132 934	3 852 691	3 221 319	-	13 200 001
As of 31/12/2023	94 935 805	14 854 652	3 977 605	13 389 291	6 007 280	-	133 164 633
As of 1/1/2023	94 935 805	14 854 652	3 977 605	13 389 291	6 007 280	-	133 164 633
Amortization and depletion	3 774 493	1 842 693	40 425	1 907 965	-	-	7 565 576
As of 31/3/2024	98 710 298	16 697 345	4 018 030	15 297 256	6 007 280	-	140 730 209
Carrying amount as of 31/12/2023	48 438 012	64 721 362	1 313 366	17 558 620	398 578	39 248 334	171 678 272
Carrying amount as of 31/3/2024	45 199 275	62 878 669	1 272 941	16 522 383	398 578	44 470 562	170 742 408

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13- Equity-accounted investees (associate companies)

	Ownership %	31/3/2024	31/12/2023
<u>Investments listed in stock exchange</u>			
El-Mohandas Insurance Company	24.99	22 399 528	22 285 030
<u>Investments not listed in stock exchange</u>			
Inayah Egypt for Medical Care Programs Management Co.	65.12	204 530	351 301
Egyptian Tankers Co.	30	17 128 175	17 128 175
Building Materials Industries Company	38.36	34 175 480	34 175 480
		73 907 713	73 939 986
Impairment losses "Egyptian Tankers Co."		(17 128 175)	(17 128 175)
Impairment losses "Building Materials Industries Company"		(34 175 480)	(34 175 480)
		22 604 058	22 636 331

14- Financial assets at fair value through other comprehensive income

	31/3/2024	31/12/2023
Government debt securities	90 042 815	113 358 310
Accrued interest	-	292 319
<u>Shares in local companies - listed on (EGX) *</u>		
Cairo Poultry Company	1 271 747	2 342 786
Raya Holding	37 561	57 405
Heliopolis Company For Housing & Development	578	1 010
<u>Shares in local companies – not listed on (EGX) *</u>		
Aamal Holding Company	1 372 665	1 374 716
Egypt Hydrocarbon Corporation	4 000 000	4 000 000
	96 725 366	121 426 546
Expected credit losses	(90 290 936)	(90 291 309)
	6 434 430	31 135 237
<u>Classified as follows: -</u>		
Non-current	6 434 430	7 777 077
Current	-	23 358 160
	6 434 430	31 135 237

* The Group designated the equity securities shown above at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

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15- Financial assets at amortized cost

	31/3/2024	31/12/2023
Governmental bonds	82 316 017	111 722 900
Treasury bills	271 386 514	315 328 182
Designated governmental bonds "Insurance Sector"	19 815 772	40 377 587
Designated bank investment certificates "Insurance sector"	3 468	6 001
Government bonds "Insurance sector"	932 006	2 743 089
Investment certificates at local banks "Insurance Sector"	415	—
Designated cash investment funds	1 621 252	203 025
Accrued interest	3 575 332	10 155 469
	379 650 776	480 536 253
Expected credit losses	(1 622 621)	(1 718 734)
	378 028 155	478 817 519
<u>Classified as follows: -</u>		
Non-current	100 415 661	140 504 790
Current	277 612 494	338 312 729
	378 028 155	478 817 519

16- Work in progress.

	31/3/2024	31/12/2023
Land and buildings under development	29 247 345	29 787 322
Others	139 870	348 211
	29 387 215	30 135 533

17- Investments at fair value through profit or loss

This balance is represented in the market value of the portfolios owned by the Group, which consist of Egyptian Companies' shares, governmental bonds and portfolios managed by overseas investment managers for the purpose of dealing in international stock exchanges. These investments are represented as follows:

	31/3/2024	31/12/2023
Portfolios managed by investment managers	3 746 523	5 395 401
Egyptian Companies' stocks (listed on the Egyptian Stock Exchange) - Cairo Poultry	195 720	360 553
Investments in mutual funds	376 731	3 834 996
	4 318 974	9 590 950

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18- Cash and cash equivalents.

	31/3/2024	31/12/2023
Banks – current accounts	74 135 003	76 547 823
Banks – time deposits	146 806 437	125 887 789
Checks under collections	1 711 829	7 845 109
Restricted cash (*)	109 806 840	104 941 066
Cash on hand	425 668	222 131
	332 885 777	315 443 918
Expected credit losses	(1 453 401)	(2 213 184)
	331 432 376	313 230 734

(*) Represents the value of restricted deposits to guarantee credit facilities.

For the purpose of preparing the consolidated statement of cash flows, cash & cash equivalents account is represented as follows:

	31/3/2024	31/12/2023
Cash and cash equivalents	332 885 777	440 051 969
Investments in treasury bills – due within three months	103 072 979	42 759 655
Restricted cash (*)	(109 806 840)	(57 407 372)
	326 151 916	425 404 252

19- Share capital and reserves.

- The Company's authorized capital is USD 500 million (Five hundred million USD).
- The issued capital was initially determined amounted to USD 120 million (One hundred & twenty million USD) distributed over 12 million shares at a par value of USD 10 per share. The founders and subscribers through methods other than public subscription have subscribed to 9 million shares at a value of USD 90 million (Only ninety million USD) 3 million shares at USD 30 million (Only thirty million USD) were offered for public subscription and were fully underwritten. The issued capital was fully paid. The issued capital has been increased and the share of the Company was split several times to reach an amount of USD 281 721 321.75 distributed over 1 126 885 287 shares of par value of US Cent 25 each fully paid and has been noted in the commercial register.

20- Legal reserve

The balance of USD 137 960 942 represents the value of the legal reserve on March 31, 2024 (USD 133 896 975 as of December 31, 2023). According to the Companies' Law and the Parent Company's article of association, the Company is required to set aside 5% of the annual net profit of the Holding Company to form the legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital of the Holding Company. The reserve is not distributable. However, it can be used to increase the share capital or offset losses.

21- Other reserves

	31/3/2024	31/12/2023
Fair value reserve	(9 738 525)	(8 954 844)
Translation reserve	(593 339 357)	(440 932 983)
	(603 077 882)	(449 887 827)

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21-Other reserves (Continued)

Fair value reserve

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is adjusted by the amount of loss allowance.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

22- Treasury shares

During the year 3 431 634 treasury shares of the holding company were purchased at a cost of USD 2 860 653.

During year 7 033 634 treasury shares of the holding company were sold at a cost of USD 5 783 635 ; the sale resulted in a loss of USD 14 651.

23- Loans and bank facilities

The movement of loans and credit facilities during the period is as follows:

	<u>31/3/2024</u>	<u>31/12/2023</u>
Balance at the beginning of the period	631 320 777	637 581 721
Proceeds from loans and credit facilities	70 989 630	430 496 346
Payment of loans and credit facilities	(135 482 163)	(420 197 533)
Differences in translation of foreign currency balances capitalized on fixed assets and projects under construction	-	(5 199 384)
Differences in translation of balances in foreign currencies - unrealized	3 587 203	(11 360 373)
Settlement of a subsidiary company loan	570 415 447	631 320 777
Balance at the end of the period		
<u>And it is classified as follows:</u>		
Current	218 663 607	375 902 034
	351 751 840	255 418 743
Non-current	570 415 447	631 320 777
	631 320 777	637 581 721

24- Deferred tax**24-1 Deferred tax liabilities**

	<u>31/12/2023</u>	<u>Income tax expense (benefit)</u>	<u>Effect of movement in exchange rates</u>	<u>31/3/2024</u>
Property, plant and equipment, and projects under construction	12 265 379	901 549	(2 124 969)	11 041 959
Goodwill	871 063	27 490	(307 756)	590 797
Right of use assets	271 890	4 426	(120 314)	156 002
Other current assets	(569 971)	80 596	-	(489 375)
Unrealized forex	606 271	3 317 579	(963 162)	2 960 688
Tax losses	(1 215 151)	(221 906)	364 844	(1 072 213)
Undistributed dividends	6 401 344	-	-	6 401 344
Provisions	(9 839)	-	3 403	(6 436)
	<u>18 620 986</u>	<u>4 109 734</u>	<u>(3 147 954)</u>	<u>19 582 766</u>

24-2 Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

24-3 Deferred tax liabilities for undistributed dividends

Deferred tax liabilities had been recognized related to the temporary differences of the undistributed profits of some entities, however it had not been recognized for the other entities based on the following:

First: Most of the undistributed retained profits do not have a distribution tax, as they are related to profits made in exempt companies (companies under the free zone system and companies outside Egypt).

Second: Regarding the undistributed profits of companies subject to the distribution tax in Egypt, the management of the holding company controls the timing of disbursing these distributions, and the applied policy is to keep all the distributable profits to be reinvested instead of resorting to financing as a result of the high interest rates.

Thus, there is no possibility of making dividends in the foreseeable future.

Accordingly, the group's policy, according to EAS, is to recognize the deferred tax related to the profits expected to be distributed within the limits of the distribution tax on the amounts that are planned to be distributed by the holding company in the coming years.

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25- Subsidiary Companies

Main subsidiaries are represented in the following:

	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/3/2024	31/12/2023
<u>Companies under direct control</u>					
International Financial Investments Co. S.A. E	Other	Diversified investment	Egypt	100	100
Bawabat Al Kuwait Holding Co.– S.A.K *	Fertilizers and chemicals	Diversified investment	Kuwait	94,68	94,67
Delta Insurance Co.*	Insurance	Insurance	Egypt	63.39	63.22
Globe for Communication and Information Technology Co.	Other	Telecommunications services	Egypt	99	99
Globe Telecom	Other	Telecommunications services	Egypt	100	100
ECO for Industrial Development Co.	Other	Industrial development	Egypt	100	100
MAT Company for Trading	Other	Trade and agencies	Egypt	100	100
EKHN B.V.	Other	Diversified investment	Netherlands	100	100
Global MDF Industries B.V.	Wood manufacturing	Diversified investment	Netherlands	83.8	83.8
EK Microfinance	Other	Investing in non-banking financial services	Netherlands	100	100
Kahraba B.V	Other	Diversified investment	Netherlands	100	100
Sprea B.V.	Other	Diversified investment	Netherlands	100	100
Natenergy B.V.	Other	Diversified investment	Netherlands	100	100
Upstream B.V.	Other	Diversified investment	Netherlands	100	100
Cooling B.V.	Other	Diversified investment	Netherlands	100	100
Mega Me for Trade Co.	Other	Trade and retail	Egypt	100	100
OGI Capital - Limited Liability Co.- Free Zone - Jebel Ali	Other	Diversified Investment	UAE	100	100
Egypt Kuwait Advanced for Operating and Maintenance	Energy	Gas distribution and delivery	KSA	100	100
Advanced Gas Pipelines	Energy	Gas distribution and	KSA	51	51
Al Sharq Advanced Fertilizers Company	Fertilizers and chemicals	Investments in fertilizer segment	KSA	51	51

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25-Subsidiary Companies (Continued)

Subsidiaries of International Financial Investments Co.

Sprea Misr for Production of Chemicals & Plastics Co. S.A. E	Fertilizers and chemicals	Chemicals and plastics production	Egypt	100	100
Egyptian Company for Petrochemicals S.A.E	Fertilizers and chemicals	Chemicals and plastics	Egypt	100	100
National Energy Co - S.A. E	Energy	Investment in energy sector	Egypt	100	100
El Fayoum Gas Holding	Energy	Investment in energy	Virgin Islands	100	100
Midor Suez Oil Refining Co. (Under liquidation)	Energy	Investment in energy sector	Egypt	100	100
NSCO INVESTMENT LIMITED Company	Energy	Investment in Natural gas exploration and production	Cayman Islands	99.9993	99.9993
BKH Megan	Other	Diversified	Cayman Islands	100	100
National Gas Company (NATGAS) S.A. E	Energy	Gas distribution and delivery	Egypt	83.98	83.98
Nahood International Limited Co.	Other	Cement Investment	UAE	60	60
Solidarity Mena Limited Co.	Other	Diversified investment	UAE	100	100
Solidarity International Limited Co.	Other	Diversified investment	UAE	100	100
Solidarity group limited Co.	Other	Diversified investment	UAE	100	100
MEA Investments Co.	Other	Diversified investment	UAE	100	100
Africa Netherlands Energy B.V	Other	Diversified investment	Netherlands	100	100
IFIC Petrochemicals Co.	Other	Diversified investment	Cayman Islands	100	100
Ekuity Holding International - Limited by Shares	Other	Diversified investment	Cayman Islands	100	100
Henosis for Construction & Real-Estate Development Co.	Other	Logistic services	Egypt	100	100
Capital Investment Limited Luxembourg Co.	Other	Diversified investment	Luxembourg	100	100
AD ASTRA REAL ESTATE, S.L. Co.	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO MISR, S.L. Co.	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO ALCAZAR, S.L. Co.	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO CAIRO, S.L. Co.	Other	Real estate investment	Spain	100	100
SISTEMAS INDUSTRIALES SALGAR II S.L	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO MEDINA, S.L. Co.	Other	Real estate investment	Spain	100	100
Madero Real Estate, S.L.	Other	Real estate investment	Spain	51	51
Gas Serve Co.	Energy	Gas services	Egypt	100	100

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25-Subsidiary Companies (Continued)

Shield Gas Systems – Dubai	Energy	Gas distribution services	UAE	100	100
Shield Gas Systems – Abu Dhabi	Energy	Gas distribution services	UAE	100	100
Shield Trading – Abu Dhabi	Energy	Gas distribution services	UAE	100	100
Al Deraa Gas Bottling and Distribution – Dubai	Energy	Gas distribution services	UAE	100	100
EEK Investment Holding LTD Co.	Energy	Investment in gas distribution services	UAE	100	100
International Fertilizer trading Co.	Other	Investments in fertilizer segment	Cayman Islands	100	100
NSCO Investment INC Co.	Energy	Investment in natural gas exploration and production	Panama	100	100
Polar Star Investment INC	Other	Diversified investment	Panama	100	100
IFIC Global Co.	Energy	Gas Investments	Cayman Islands	100	100
Africa Energy Limited	Other	Diversified investment	Cayman Islands	100	100
EK Infrastructure Investments	Other	Diversified investment	Cayman Islands	100	100
ETI Investments Limited	Other	Diversified investment	Virgin Islands	100	100
EGI Investments Limited	Other	Diversified investment	Virgin Islands	100	100
<u>Subsidiary of Solidarity Group Ltd.</u>					
MOG Energy Co.	Energy	Petrol and gas	Egypt	80.31	80.31
<u>Subsidiaries of MOG Energy Co.</u>					
TOSS Limited	Energy	Petrol and gas	Cayman Islands	86.55	86.55
SSTO Company	Energy	Petrol and gas	Cayman Islands	51.93	51.93
Tri Ocean Dar Holding	Energy	Petrol and gas	Cayman Islands	86.55	86.55
Tri-Ocean Exploration & Production	Energy	Petrol and gas	Cayman Islands	51.93	51.93
Tri Ocean for Drilling and Oil Services Company	Energy	Petrol and gas	Egypt	81.30	81.30
Tri-Ocean Mgan Company	Energy	Petrol and gas	Cayman Islands	81.30	81.30
Tri Ocean Marine Company	Energy	Petrol and gas	Cayman Islands	81.30	81.30
Tri-Ocean Carbon	Energy	Petrol and gas	Egypt	81.30	81.30
Tri-Ocean Levant Company	Energy	Petrol and gas	Cayman Islands	81.30	81.30
Tri Ocean for Trading Petrochemicals	Energy	Petrol and gas	Egypt	81.30	81.30
Tri-Ocean Mediterranean Limited	Energy	Petrol and gas	Cayman Islands	81.30	81.30
Tri-Ocean West Gebel El Zeit	Energy	Petrol and gas	Cayman Islands	81.30	81.30

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25-Subsidiary Companies (Continued)

Subsidiaries of NSCO Investment Limited

Polar Star Investments Limited	Energy	Investment in natural gas exploration and production	Cayman Islands	99.9994	99.9994
TONS	Energy	Investment in natural gas exploration and production	Cayman Islands	99.9994	99.9994
Perenco Resources Egypt Limited	Energy	Investment in natural gas exploration and production	Bermuda Islands	99.9994	99.9994
Perenco North Sinai Oil Company Limited	Energy	Investment in natural gas exploration and production	Liberia	99.9994	99.9994
Perenco North Sinai Petroleum Company Inc.	Energy	Investment in natural gas exploration and production	Bahamas	99.9994	99.9994
Perenco North Sinai Gas Company limited	Energy	Investment in natural gas exploration and production	Bahamas	99.9994	99.9994

Subsidiary of Globe Telecom

Globe for Trading & Agencies	Other	Trade and agencies	Egypt	100	100
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Subsidiaries of National Gas Co. Natgas

Al Watania for Electric Technology Co (Kahraba)	Energy	Electricity generation and distribution	Egypt	96.16	91.95
Al Nubaria for Natural Gas Co.	Energy	Gas distribution	Egypt	83.98	83.98
Egypt Kuwait Investments Holding Limited Co.	Energy	Diversified Investment	UAE	83.98	83.98
Kahraba Future Co.	Energy	Electricity generation and distribution	Egypt	96.16	91.95
Gas Line Co.	Energy	Gas distribution & delivery	Egypt	83.98	83.98

Subsidiaries of BKH Megan

Middle East for River Transport Co.- S.A.E (Under liquidation)	Other	River Transportation	Egypt	100	100
Mert Holding	Other	River Transportation	Virgin Islands	100	100
BMIC Holding	Other	Cement Investments	Cayman Islands	100	100

Subsidiaries of National Energy Company

Cooling Technology by Natural Gas Co. (Gas Chill)	Other	Natural gas refrigeration technology	Egypt	85.99	85.99
El Fayoum Gas Co.	Energy	Gas distribution	Egypt	77.99	77.99
Technology Gas Co. GoGas	Energy	Natural gas distribution & delivery	Egypt	99.20	99.20

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25-Subsidiary Companies (Continued)

Subsidiaries of Bawabat Al Kuwait Holding Co.

Alex Fert Co.	Fertilizers and chemicals	Fertilizer manufacturing	Egypt	78.51	78.51
International Logistics Co. S.A.K	Fertilizers and chemicals	Fertilizer investments	Kuwait	94.67	94.67
Polar Star Investments Co.	Fertilizers and chemicals	Diversified investment	UAE	78.51	78.51

Subsidiary of Egyptian Company for Petrochemicals

El Shorouk for Melamine and Resins Co.	Fertilizers and chemicals	Production of melamine products and resins	Egypt	95.05	95.05
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Subsidiaries of Global MDF

Cairo Wood for Imports and Exports Co.	Wood Manufacturing	Wood trade	Egypt	83.8	83.8
Nile Waste Co.	Wood Manufacturing	Recycle agricultural waste	Egypt	83.8	83.8
Nile Wood Co.	Wood Manufacturing	Wood Manufacturing	Egypt	83.8	83.8
Eco for Agricultural Development	Wood Manufacturing	Reclamation and cultivation of tree forests	Egypt	83.8	83.8

Subsidiary of Sprea Misr for Production of Chemicals & Plastics Co.

Asprea for Chemicals Co. (S.A.E.)	Fertilizers and chemicals	Chemicals and plastics	Egypt	100	100
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Subsidiary of EKH Microfinance Co.

Bedayti for Microfinance Co.	Others	Microfinancing	Egypt	100	100
Bedayaty for Consumer Finance Co.	Others	Consumer Financing	Egypt	100	100

26- Transactions with related parties

Related parties are represented in the Parent Company and its subsidiaries' shareholders, and Companies in which they directly own shares giving them significant influence or control over the Group as well as the board members of the group companies. The Group's companies carry out several transactions with related parties and these transactions are carried out in accordance with the terms determined by the Board of Directors of these companies. There were no significant transactions with related parties during the year.

27- Dividends approved, and board of directors' remuneration.

The shareholders general assembly meeting of the Parent Company held on March 30, 2023, approved shareholders cash dividends for the financial year ended December 31, 2022, of 11 Cent/share with a total amount of USD 123 957 382, remunerations for the board of directors amounting to USD 12 053 137, employees' dividends amounting to USD 1 501 852.

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28- Financial instruments

Accounting classifications and fair values of financial assets

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2024	Note No.	Book value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value						
Financial assets at fair value through other comprehensive income - debt instruments	(14)	-	-	-	-	-
Financial assets at fair value through other comprehensive income - equity instruments	(14)	6 434 430	2 434 430	-	4 000 000	6 434 430
Financial assets at fair value through profit or loss	(17)	4 318 974	4 318 974	-	-	4 318 974
Biological assets	(11)	1 952 473	-	-	1 952 473	1 952 473
		12 705 877	2 434 430		5 952 473	12 705 877
Financial assets other than at fair value						
Trade and notes receivable	-	131 718 364	-	-	-	-
Cash and cash equivalent	(18)	331 432 376	-	-	-	-
Financial assets at amortized cost	(15)	378 028 155	-	-	-	-
Other current assets	-	62 540 407				
		903 719 302	-	-	-	-
Financial liabilities other than at fair value						
Loans and bank facilities	(23)	570 415 447	-	-	-	-
Lease liabilities	-	6 746 360	-	-	-	-
Suppliers, contractors, notes payable and other creditors	-	323 693 561	-	-	-	-
		900 855 368	-	-	-	-

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28-Financial instruments (Continued)

31 December 2023	Note No.	Book value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value						
Financial assets at fair value through other comprehensive income - debt instruments	(14)	23 359 320	23 359 320	–	–	23 359 320
Financial assets at fair value through other comprehensive income - equity instruments	(14)	7 775 917	3 775 917	–	4 000 000	7 775 917
Financial assets at fair value through profit or loss	(17)	9 590 950	9 590 950	–	–	9 590 950
Biological assets	(11)	2 256 495	–	–	2 256 495	2 256 495
		42 982 682	36 726 187	–	6 256 495	42 982 682
Financial assets other than fair value						
Receivable and Notes Payable	–	147 351 755	–	–	–	–
Cash and cash equivalent	(18)	313 230 734	–	–	–	–
Financial assets at amortized cost	(15)	478 817 519	–	–	–	–
Other current assets	–	80 251 828				
		1 019 651 836	–	–	–	–
Financial liabilities other than fair value						
Loans and bank facilities	(23)	631 320 777	–	–	–	–
Lease liabilities	–	9 041 863	–	–	–	–
Suppliers, contractors, notes payable and other creditors	–	254 606 392	–	–	–	–
		894 969 032	–	–	–	–

29- Contingent liabilities

In addition to amounts included in the consolidated statement of financial position, there are contingent liabilities represented in the following:

- Uncovered letters of credit amounting to USD 26 230 124 (2023: USD 27 424 927).
- Letters of guarantee issued by banks on the account of the Group and in favor of others amounting to USD 8 632 698 (2023 : USD 7 445 474).

30- Capital commitments.

Total capital commitments amounted to USD 87 817 818 as of 31 March 2023, representing contributions to property, plant & equipment and projects under construction which have not been requested to be paid till the consolidated financial position date (2023 : USD 36 700 954).

31- Tax status.

Corporate profit tax

- The Company had a tax exemption for 5 years according to Investment Law No. 8 of 1997 and that ended on December 31, 2003.
- Tax inspection for year 2009 was carried out and the resulted differences were settled.
- Years from 2010 to 2020, tax inspection was carried out, receiving tax claims and settlements are currently under process.
- The annual tax returns were submitted on the due date according to the provisions of Law No. 91 of 2005.

Salary tax

- The tax inspection for salary tax for the period from inception till 2021 was carried out and the final assessment was determined and resulting differences were settled.
- The monthly withholding tax is paid on the legal dates.

Stamp tax.

- Inspection for the stamp tax from inception till 2016 was carried out and the final assessment was made, and the Company settled the resulting differences.
- The years from 2017 to 2019 were examined and notified, and the company objected to the examination, and the matter is being considered in the appeals committee.
- The tax due is paid on the legal dates.

Property tax

- The company has been notified of the accrued tax related to some properties owned by the company till 2021 and the tax was paid.

32- Segment reporting

A segment is a group of related assets and operations that have a different risks and benefits from that of other sectors or within a single economic environment characterized by its own risks and benefits from those related to sectors operating in a different economic environment.

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

A segment is considered significant and is disclosed separately if it represents 10% or more of the Group's total revenue or net income.

32- Segment reporting (Continued)

The Group has the following four strategic segments, which are reported segments. These segments offer different products and services, and they are managed separately because they require different marketing techniques and strategies.

Other operations include the communications, geographical maps, agencies, cooling technology by natural gas, insurance activity and investment activity.

The following is a summary of the activities of each disclosed sector:

Sector	Location	Activity
Energy Sector	Egypt - Saudi Arabia -Emirates – others	Gas delivery activities and activities of extraction and development of natural gas wells. Oil exploration and production.
Fertilizers and petrochemicals Sector	Egypt	Production of urea and ammonia Production of formaldehyde flakes, and Formica flakes
Insurance Sector	Egypt	Life, property and liability insurance.
Wood Manufacturing Sector	Egypt	Wood manufacturing.
Others Sector	Egypt – Spain - Others	Microfinance and consumer finance

The Group CEO reviews internal management reports for each segment at least once a month. Profit (loss) before tax and before interest and depreciation is used to measure performance because management believes that this information is the most relevant in evaluating the results of related segments relative to other companies that operate in similar industries.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Information related to each sector is shown in the following table:

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3- Segment reporting (Cont.)

	Energy sector		Chemicals & fertilizers sector		Insurance sector		Wood processing sector		Other operations		Total	
	2024/3/31	2023/3/31	2024/3/31	2023/3/31	2024/3/31	2023/3/31	2024/3/31	2023/3/31	2024/3/31	2023/3/31	2024/3/31	2023/3/31
Revenue	58 305 019	63 728 163	102 824 432	137 378 635	16 365 412	10 571 154	734 642	618 430	2 025 145	2 719 852	180 284 650	215 016 254
Net operating profit (loss)	20 791 645	27 110 401	50 598 545	61 503 829	6 201 396	3 261 312	(739 278)	(322 856)	(18 643 093)	(4 758 067)	58 209 215	86 794 619
Financing expenses	(2 670 569)	(1 998 361)	(393 877)	(1 161 438)	(9)	-	(232 436)	(158 117)	(11 451 597)	(10 587 184)	(14 748 528)	(13 905 100)
Interest income	662 967	731 677	3 060 456	3 507 866	191 864	15 834	35 680	22 453	244 402	280 657	4 195 369	4 558 487
Company's share of profit of equity - accounted investments	-	-	-	-	460 345	498 213	-	-	-	-	460 345	498 213
Net profit (loss) for the year before income tax	31 673 663	27 814 024	61 708 685	65 400 049	7 939 396	3 921 079	(2 045 512)	(2 315 291)	(4 887 520)	(2 575 304)	94 388 712	92 244 627
Income tax	(5 776 560)	(2 971 790)	(13 234 356)	(17 598 759)	(1 764 235)	(460 526)	(32 265)	(41 875)	(1 604 756)	(45 149)	(22 412 172)	(21 118 099)
Net profit for the year	25 897 104	24 842 303	48 474 329	47 801 291	6 175 161	3 460 553	(2 077 778)	(2 357 166)	(6 492 276)	(2 620 453)	71 976 540	71 126 528
Depreciation & amortization	(8 496 356)	(9 447 903)	(5 545 746)	(5 077 653)	(1 67 061)	(3 78 782)	(1 81 750)	(237 076)	(1 97 109)	(1 89 981)	(14 588 022)	(14 991 395)
Foreign currency translation differences	(62 944 015)	(52 005 655)	(77 594 074)	(29 035 714)	(19 188 237)	(9 707 604)	(5 312 019)	(4 586 182)	(5 366 279)	(525 660)	(170 404 624)	(95 860 815)
Total assets	503 453 224	596 832 908	784 532 892	821 346 063	155 771 755	215 345 080	58 512 295	87 255 438	1 917 621	24 938 871	1 504 187 787	1 745 727 760
Equity - accounted investors (associates Companies)	-	-	-	-	22 604 038	22 636 331	-	-	-	-	22 604 038	22 636 331
Total liabilities	191 688 692	247 993 122	129 790 517	121 531 257	90 707 252	133 130 889	31 059 688	47 397 848	636 234 844	595 627 000	1 079 470 993	1 105 680 116

33- New versions and amendments to the Egyptian Accounting Standards

On March 6, 2023, Prime Minister Decision No. (883) of 2023 was issued to amend some of the accounting standards, and the following is a summary of the most important of these amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> -Egyptian Accounting Standard No. (10) "Fixed Assets". -Egyptian Accounting Standard No. (23) "Intangible Assets". -Egyptian Accounting Standard No. (34) "Investment property". 	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <u>on or after July 1, 2024</u> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.
Egyptian Accounting Standard No. (17)	Egyptian Accounting Standard No. (17) "Standalone Financial Statements" was reissued in 2024, adding the option to use the equity	Management is currently studying the	The amendments shall apply to financial periods commencing <u>on or after January 1, 2024</u> ,

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<p>amended 2024 "Separate Financial Statements"</p>	<p>method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in subsidiaries, sister companies and jointly controlled companies.</p>	<p>possibility of changing the accounting policy followed and using the equity method when accounting for investments in subsidiaries, sister companies and joint control, and assessing the potential impact on the financial statements if this method is used.</p>	<p><u>and early application shall be allowed retroactively</u>, with proof of the cumulative effect of the application of the equity method by adding it to the calculation of the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies this method for the first time.</p>
<p>Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"</p>	<p>This standard was reissued in 2024, adding how to determine the intraday rate when it is difficult to exchange between two currencies and the conditions that must be met in the real-time exchange rate on the measurement date.</p> <p>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.</p>	<p>Management is currently assessing the potential impact on the financial statements of the application of amendments to the standard.</p>	<p>Adjustments to determine the instantaneous rate when it is difficult to exchange between two currencies shall apply to financial periods commencing on or after January 1, 2024, and early application is allowed, and if the entity makes early application, this must be disclosed.</p> <p>Upon application, the entity may not modify the comparison information, instead:</p> <ul style="list-style-type: none"> • When the entity reports foreign currency transactions in its currency of dealing, any effect of the initial application is recognized as an adjustment to the opening balance of the profits carried forward on the date of the initial application. • When an entity uses an offer currency other than its own currency of dealing or translates the results and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative amount of translation differences - accumulated in the equity side -

Egypt Kuwait Holding Co. (An Egyptian Joint Stock Company)
Notes to the condensed consolidated interim financial statements
for the financial period ended March 31, 2024
All amounts are in US Dollars unless otherwise mentioned.

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			on the date of initial application.
Accounting Interpretation No. (2) "Carbon Emission Reduction Certificates"	<p>Carbon Credits Certificates: These are negotiable financial instruments that represent against greenhouse gas emission reduction units, and each unit represents a ton of carbon dioxide equivalent emissions, and is issued to the benefit of the developer of the reduction project (owner/non-owner), after approval and verification in accordance with internationally recognized carbon emission reduction standards and methodologies, carried out by the verification and certification bodies, whether local or international, registered in the list prepared by the Financial Supervisory Authority for this purpose. Companies can use emission reduction certificates To meet voluntary emission reduction targets (for companies) to achieve carbon exchange or other targets that are traded in the voluntary carbon market. (Voluntary Carbon Market "VCM")</p> <p>Accounting treatments vary according to the nature of the arrangement and the commercial purpose of purchasing or issuing certificates by project developers, and therefore companies must identify facts and identify different circumstances to determine the appropriate accounting treatment and accounting standard to be applied.</p> <p>The interpretation deals with the accounting treatment of different cases in terms of initial measurement and Subsequent measurement and exclusion from books and necessary disclosures.</p>	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	The application starts on or after the first of January 2025 and allows early application.