

GB Corp
(An Egyptian Joint Stock Company)

Consolidated Interim Financial Statements
For The Financial Period Ended June 30, 2024

And Limited Review Report

 Hazem Hassan
Public Accountants & Consultants

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Translation of limited review report
Originally issued in Arabic

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Limited review report on consolidated interim financial statements

To: The Board of Directors of GB Corp (S.A.E)

Introduction

We have performed a limited review for the accompanying consolidated balance sheet of GB Corp (S.A.E) as at June 30, 2024 and the related consolidated statements of Profit or Loss and comprehensive income, changes in equity, and cash flows for the six -months ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

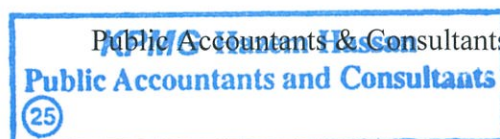
Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (no. 2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, 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 consolidated financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024 and of its financial performance and its cash flows for the six -months ended in accordance with Egyptian Accounting Standards.


KPMG Hazem Hassan



Cairo August 14, 2024

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Financial Position
as at June 30, 2024


(All amounts in thousand Egyptian Pound)	Note No.	30 June 2024	31 December 2023 Restated
Assets			
Non-current assets			
Property, plant, equipment and projects under construction (Net)	(16)	7 076 327	5 965 736
Assets right of use	(17)	947 101	530 025
Intangible assets and goodwill	(18)	983 744	535 108
Payments under investment in fair value through profit or losses	(31)	72	72
Investment in associate	(35)	11 084 036	10 395 492
Investments in fair value through OCI	(36)	145 261	106 500
Long term notes receivables (Net)	(12)	6 309 776	5 382 482
Deferred tax assets	(10-B)	164 578	186 945
Investment property	(19)	90 905	90 905
Debtors and other debit balances	(14-A)	63 396	182 642
Subordinated Loan	(35)	-	50 000
Total non-current assets		26 865 196	23 425 907
Current assets			
Assets held for sale	(44)	855 000	855 000
Inventories (Net)	(11)	13 076 425	6 366 072
Accounts and notes receivables (Net)	(13)	6 333 373	4 042 327
Debtors and other debit balances (Net)	(14-B)	5 316 450	2 998 370
Due from related parties	(34)	126 768	347 598
Cash and cash equivalents	(15)	7 135 560	4 504 238
Total current assets		32 843 576	19 113 605
Total assets		59 708 772	42 539 512
Equity			
Issued and paid in capital	(20)	1 085 500	1 085 500
Reserve for financial Solvency	(43)	8 569	7 612
Legal reserve	(22)	709 911	562 734
Other reserves	(23)	7 459 910	4 568 492
Private risk reserve - Non banking financial service	(41)	20 393	20 393
Retained Earning		12 911 008	11 657 492
Net Profit for the period / year		1 048 185	1 890 727
Equity attributable to parent Company		23 243 476	19 792 950
Non-controlling interests	(24)	1 823 578	1 362 958
Total equity		25 067 054	21 155 908
Liabilities			
Non-current liabilities			
Loans	(26)	5 409 239	4 563 174
Long term Bonds	(39)	160 000	200 000
Long term notes payables and creditors		487 630	288 593
Right of use Liability		457 589	371 314
Warranty provisions	(28)	7 070	7 070
Deferred tax liabilities	(10-B)	353 332	333 053
Total non-current liabilities		6 874 860	5 763 204
Current liabilities			
Provisions	(28)	431 548	411 424
Current tax liabilities	(10-A)	258 836	344 262
Loans, borrowings and overdrafts	(26)	12 773 955	7 674 496
Due to related parties	(34)	16 374	68
Bonds	(39)	80 000	80 000
Trade payables and other credit balances	(27)	14 206 145	7 110 150
Total current liabilities		27 766 858	15 620 400
Total liabilities		34 641 718	21 383 604
Total equity and liabilities		59 708 772	42 539 512

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

Group Chief Financial Officer and
Executive Board Member
Abbas Elsayed



Executive Board Member
Nader Ghabbour



**Limited Review Report "attached"

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Profit or Loss
for the financial period ended 30 June 2024

(All amounts in thousand Egyptian Pound)	Note No.	The six Months ended June,30		The three Months ended June,30	
		2024	2023	2024	2023
Operating revenue	(5)	19 181 051	10 751 382	10 174 867	6 009 902
Operating cost	(5)	(14 802 125)	(8 364 962)	(8 359 489)	(4 672 932)
Gross profit		4 378 926	2 386 420	1 815 378	1 336 970
Other income	(6)	250 340	140 801	131 088	76 572
Selling and marketing expenses	(37)	(720 023)	(489 853)	(290 633)	(267 290)
General and administrative expenses	(37)	(1 486 751)	(919 784)	(799 803)	(497 436)
Provisions and Impairment of Current and Non-Current assets (Net)	(8)	29 192	(67 171)	69 163	(16 451)
Operating Profit		2 451 684	1 050 413	925 193	632 365
Finance costs (Net)	(7)	(1 298 236)	(697 510)	(545 889)	(240 677)
Gain from investment in associate	(35)	290 729	482 530	108 597	260 365
Net profit for the period before income tax		1 444 177	835 433	487 901	652 053
Income tax	(10-C)	(337 008)	(182 794)	(47 736)	(103 366)
Net profit for the period after income tax		1 107 169	652 639	440 165	548 687
Attributable to:					
Shareholder's of the parent company		1 048 185	608 252	421 852	500 559
Non-controlling interests		58 984	44 387	18 313	48 128
		1 107 169	652 639	440 165	548 687
Basic earning per share (EGP/Share)	(9)	0.966	0.560	0.389	0.458

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Comprehensive Income
for the financial period ended 30 June 2024

(All amounts in thousand Egyptian Pound)	The six Months ended June 30,		The three Months ended June 30,	
	2024	2023	2024	2023
Net profit for the period after income tax	1 107 169	652 639	440 165	548 687
Other comprehensive income items				
Foreign currency translation difference	3 238 877	1 241 754	356 028	(64)
Modification of fixed assets cost	(4 931)	(6 704)	(2 239)	(3 796)
Total other comprehensive income for the period before income tax	3 233 946	1 235 050	353 789	(3 860)
Income tax related to other comprehensive income	2 454	1 900	504	1 017
Total other comprehensive income for the period after income tax	3 236 400	1 236 950	354 293	(2 843)
Total comprehensive income for the period	4 343 569	1 889 589	794 458	545 844
Comprehensive income is attributable to:				
Shareholder's of the parent company	3 939 603	1 705 174	760 531	509 290
Non-controlling interests	403 966	184 415	33 927	36 554
	4 343 569	1 889 589	794 458	545 844

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

CB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Changes in Equity
for the financial period ended 30 June 2024

30 June 2024

(All amounts in thousand Egyptian Pound)	Shareholder's equity of the parent company										Total	Non-Controlling interests	Total equity
	Share capital	Legal reserve	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve	Share premium (Special reserve)	Reserve for financial solvency risk	special reserve - Non banking financial service	Retained Earning	Net profit for the period			
Balance at December 31, 2023	1 085 500	562 734	3 333 145	88 882	57 789	904 041	7 612	20 393	11 887 833	1 890 727	19 838 656	1 362 958	21 201 614
Adjustments on the beginning balance	-	-	184 635	-	-	-	-	-	(230 341)	-	(45 706)	-	(45 706)
Balance at December 31, 2023 Restated	1 085 500	562 734	3 517 780	88 882	57 789	904 041	7 612	20 393	11 657 492	1 890 727	19 792 950	1 362 958	21 155 908
Transferred to retained earnings	-	-	-	-	-	-	-	-	1 890 727	(1 890 727)	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	1 048 185	1 048 185	58 984	1 107 169
Net profit for the period	-	-	-	-	-	-	-	-	-	-	(2 477)	-	(2 477)
Modification surplus of fixed assets cost after income tax	-	-	-	-	(2 477)	-	-	-	-	-	2 893 895	344 982	3 238 877
Other Comprehensive income items	-	-	2 893 895	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	2 893 895	-	(2 477)	-	-	-	-	1 048 185	3 939 603	403 966	4 343 569
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-
special risk reserve - Non banking financial service	-	-	-	-	-	-	957	-	(957)	-	-	-	-
Reserve for financial solvency risk	-	-	-	-	-	-	-	-	4 931	-	4 931	-	4 931
Modification of fixed assets cost	-	-	-	-	-	-	-	-	(494 008)	-	(494 008)	(15 751)	(509 759)
Dividends Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests without changing in control	-	-	-	-	-	-	-	-	-	-	-	4 077	4 077
Capital increase	-	147 177	-	-	-	-	-	-	(147 177)	-	-	-	-
Transferred to legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment under capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transactions with owners of the company	-	147 177	-	-	-	-	957	-	(637 211)	-	(489 077)	56 654	(432 423)
Balance at June 30, 2024	1 085 500	709 911	6 411 675	88 882	55 312	904 041	8 569	20 393	12 911 008	1 048 185	23 243 475	1 823 578	25 067 054

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Shareholders Equity
for the financial period ended 30 June 2024

	Shareholder's equity of the parent company														
	Share capital	Legal reserve	Treasury Bills	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve	Share premium (Special reserve)	Reserve for financial solvency	General risk reserve	Private risk reserve - Non banking financial service	Retained Earning	Net profit for the period	Total	Non-Controlling Interests	Total equity
Balance at December 31, 2022	1 085 500	533 542	-	2 214 460	88 882	69 837	904 041	10 711	131	20 393	1 820 099	9 984 958	16 732 554	728 195	17 460 749
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	9 984 958	(9 984 958)	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	608 252	608 252	44 387	652 639
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	(4 804)	-	(4 804)
Modification surplus of fixed assets after income tax (Net)	-	-	-	-	-	(4 804)	-	-	-	-	-	-	1 036 439	205 315	1 241 754
Other Comprehensive income items	-	-	-	1 036 439	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	1 036 439	-	(4 804)	-	-	-	-	-	608 252	1 639 887	249 702	1 889 589
Transactions with owners of the Company	-	-	-	-	-	-	-	(10 711)	-	-	10 711	-	-	-	-
Reserve for financial solvency	-	-	-	-	-	-	-	-	-	-	6 704	-	6 704	-	6 704
Modification surplus of fixed assets	-	-	-	-	-	-	-	-	(131)	-	131	-	-	-	-
General risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(20 000)	-	(20 000)	-	(20 000)
Change in non-controlling interests without changing in control	-	(25 245)	-	21 420	-	-	-	-	-	-	232 507	-	228 682	630 524	859 206
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	2 688	2 688
Transferred to legal reserve	-	5 728	-	-	-	-	-	-	-	-	(5 728)	-	-	-	-
Payment under capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	(2 688)	(2 688)
Total Transactions with owners of the company	-	(19 517)	-	21 420	-	-	-	(10 711)	(131)	-	224 325	-	215 386	630 524	845 910
Balance at June 30, 2023	1 085 500	514 025	-	3 272 319	88 882	65 033	904 041	-	-	20 393	12 029 382	608 252	18 587 827	1 608 421	20 196 248

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Cash Flows
for the financial period ended 31 March 2024

(All amounts in thousand Egyptian Pound)

	Note No.	30 June 2024	30 June 2023
Net profit for the period before tax		1 444 177	835 433
Adjustments for:			
Interest expense	(7)	1 176 218	601 517
Depreciation and amortization for the period	(16,17,18)	701 805	317 466
Provisions movements (net)	(28)	23 685	18 256
Impairment losses on current assets (net)		88 162	55 185
Interest income	(7)	(208 482)	(162 063)
Gain from sale of property, plant, equipment and assets held for sale	(6)	(70 083)	(11 404)
Gain from investment in associate		(290 729)	(482 530)
Unrealized Foreign currency exchange losses		867 888	304 850
		3 732 641	1 476 710
Changes in:			
Inventories (Net)		(5 272 318)	(1 769 294)
Accounts and notes receivables		(2 949 963)	(2 057 555)
Debtors and other debit balances		(699 453)	(598 995)
Due from related parties		187 981	(139 313)
Due to related parties		16 306	18 168
Payment rent for asset right of use		(39 146)	(32 384)
Proceeds from loans and borrowings		1 237 649	1 452 511
Trade payables and other credit balances**		5 651 228	1 192 875
Cash provided from / (used in) operating activities		1 864 925	(457 277)
Provisions used		(15 994)	(34 158)
Income tax paid		(377 336)	(321 054)
Dividends distributions paid for employees		(138 483)	(20 000)
Net cash provided from / (used in) operating activities		1 333 112	(832 489)
Cash flows from investing activities			
Payment for acquisition of property, plant, equipment and projects under constructions		(2 332 053)	(919 457)
Payment to acquire non controlling interest		-	(7 000)
Proceeds from sale of shares from subsidiaries		-	1 032 134
Payment for acquisition of intangible assets		(188 758)	(6 595)
Interest income received		(101 332)	89 687
Paid for other investments and associates		(485 591)	-
Proceeds from sale of property, plant, equipment and assets held for sale		155 138	69 381
Net cash (used in) / Provided from investing activities		(2 952 596)	258 150
Cash flows from financing activities			
Bonds		(40 000)	(178 461)
Dividends paid - Shareholders		(217 000)	-
Proceeds from loans and borrowings		4 482 904	909 608
Long-Term notes payable		199 036	(137 752)
Interest expense paid		(975 562)	(665 479)
Net cash Provided from / (used in) financing activities		3 449 378	(72 084)
Net Increase in cash and cash equivalents		1 829 894	(646 423)
Cash and cash equivalents at the beginning of the period		4 506 907	4 098 184
Effect of movements in exchange rates on cash and cash equivalents		804 026	450 154
Cash and cash equivalents at end of the period	(15)	7 140 827	3 901 915

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

1- Background of the Group

GB Corp S.A.E is an Egyptian joint stock Company "The Company" incorporated on July 15, 1999 under the name of GB Capital for Trading and Capital Lease and under Law No. 159 of 1981, and was registered in the commercial register under No. 3422, Cairo.

Based on the decision of the Extraordinary General Assembly Meeting held on April 26, 2007, it has been agreed to change the Company's name to be GB Auto. This amendment was registered in the commercial register on May 23, 2007.

Based on the decision of the Extraordinary General Assembly Meeting held on March 26, 2023, it has been agreed to change the Company's name to be GB Corp S.A.E This amendment was registered in the commercial register on May 7, 2023.

The Company is domiciled in the Industrial Zone – Abou Rawash Kilo meter 28 Cairo – Alexandria Desert Road, Arab Republic of Egypt.

The Company and its subsidiaries (will be referred to as "the Group") main activities include trading, distributing and marketing of all transportation means including heavy trucks, semi-trucks, passenger cars, buses, mini buses, micro buses, agriculture tractors, crans, mechanical tools equipment for soil movement and motors with their different structures and types whether locally manufactured and imported new and used ones and trading in spare parts, accessories whether locally manufactured or imported and tires for vehicles and equipment whether locally manufactured and tires for vehicles and equipment whether locally manufactured or imported. The Company also undertakes import and export activities, selling locally manufactured and imported products for cash, on credit or through finance leasing and microfinance. Also trade in all goods including light trucks and sale by instalments and provide services of factoring and nonbanking financial services. The factoring services intended to buy existing and future rights of sellers of goods and services and provide related services.

The major shareholders of the Company are the family of Dr. Raouf Ghabbour who collectively owns 63.38% of the Company's shares as at June 30, 2024.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on August 14, 2024.

2- Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with the updated Egyptian Accounting Standards (EAS) and the related Egyptian laws and regulations.

3- Functional and presentation currency

The consolidated financial statements are presented in Egyptian Pounds which is the Group's functional currency.

4- Use of judgement and estimates

- In preparing the consolidated financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

- The recognition of the change in accounting estimates in the period in which the change in estimate occurs, if the change affects only that period, or in the period of change and future periods if the change affects both.

A- Measurement of fair value

- The fair value of financial instruments determines based on the market value of a financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future costs of sale. The financial asset values are determined at current prices for the purchase of those assets, while determining the value of financial liabilities at current prices, which could be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the transactions price that has recently or be guided by the current fair value of other instruments which is substantially similar. Or the use of discounted cash flow or any other evaluation method that leads to results that can be relied upon it.
- When using the discounted cash flow method as a way for the evaluation, the future cash flows are estimated based on the best estimates of management. And determined the discount rate used in the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

5- Operating Segments

- The Group has the following four operational segments, which are its reportable segments to top management. These segments offer different products and services and are managed separately because they require different technology and marketing strategies.
- The following summary describes the operations for each reportable segment:

<u>Reportable segment</u>	<u>Operations</u>
Passenger car	Trading, distributing, and marketing for all kinds of passenger cars, whether locally manufactured or imported.
Buses and trucks	Trading, distributing, and marketing for all kinds of heavy trucks, semi-trucks, buses, minibuses, micro buses, agriculture tractors, whether locally manufactured or imported.
2 & 3 Wheels	Trading, distributing, and marketing for all kinds of 2 & 3 Wheels, whether locally manufactured or imported.
Financial non-Banking Services	Providing services of investments and real estate financing and insurance and provides services of factoring and financial non-banking services. And operation and finance lease and microfinancing and factoring services intended to buy existing and future rights of sellers of goods and services and provide related services and selling the locally and imported goods and products by cash or on credit and trade in all kinds of goods such as light transportation and selling it by installments.
Other Operations	Trading spare parts, and its accessories whether locally manufactured or imported, tires for vehicles and equipment whether locally manufactured or imported and exported.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5-Operating Segments(Continued)

A-Total Revenue

1-Percentage of total Revenue by sectors

	June 30, 2024	%	June 30, 2023	%
Passenger car	12 178 254	63.49%	5 861 133	54.51%
Buses and trucks	1 253 872	6.54%	694 639	6.46%
2 & 3 Wheels	880 790	4.59%	890 929	8.29%
Financial non-Banking Services	2 732 572	14.25%	1 848 171	17.19%
Other Operations	2 135 563	11.13%	1 456 510	13.55%
	19 181 051	100%	10 751 382	100%

2-Percentage of revenues from foreign operations out of total revenues

	June 30, 2024	%	June 30, 2023	%
Passenger car	4 445 630	36.50%	818 295	13.96%
2 & 3 Wheels	421 904	47.90%	237 423	26.65%

B- Segments results

	June 30, 2024	%	June 30, 2023	%
Passenger car	2 533 962	57.87%	1 266 612	53.07%
Buses and trucks	411 131	9.39%	157 200	6.59%
2 & 3 Wheels	240 958	5.50%	184 077	7.71%
Financial non-Banking Services	603 456	13.78%	390 371	16.36%
Other Operations	589 419	13.46%	388 160	16.27%
	4 378 926	100%	2 386 420	100%

C-Assets

	June 30, 2024	%	December 31,2023 Restated	%
Passenger car	18 310 825	30.7%	5 838 671	13.73%
Buses and trucks	11 598 010	19.4%	7 921 770	18.62%
2 & 3 Wheels	3 292 802	5.5%	3 627 779	8.53%
Financial non-Banking Services	15 992 359	26.8%	15 094 948	35.48%
Other Operations	10 514 776	17.6%	10 056 344	23.74%
	59 708 772	100%	42 539 512	100%

D- Liabilities

	June 30, 2024	%	December 31,2023 Restated	%
Passenger car	13 528 078	39.1%	6 163 794	28.82%
Buses and trucks	9 416 297	27.2%	5 324 517	24.90%
2 & 3 Wheels	311 775	1%	406 288	1.90%
Financial non-Banking Services	8 998 823	26.0%	7 313 334	34.20%
Other Operations	2 386 745	6.7%	2 175 671	10.17%
	34 641 718	100%	21 383 604	100%

GB Corp. (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5-Operating Segments (Continued)

E-Reconciliations of information on reportable segments to financial statements according to EASs

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues		
Total revenues of operating segments	20 708 156	11 802 533
Elimination of revenue between group inter-segment	(1 527 105)	(1 051 151)
Consolidated Revenue	19 181 051	10 751 382
Segments result		
Gross profit of operating segment	4 446 989	2 410 801
Elimination of gross profit between group inter-segment	(68 063)	(24 381)
Consolidated Gross Profit	4 378 926	2 386 420
Assets		
Total assets of operating segments	95 132 272	72 397 581
Elimination of assets between group inter-segment	(35 423 500)	(31 978 673)
Total Consolidated Assets	59 708 772	40 418 908
Liabilities		
Total Liabilities of operating segments	53 322 516	36 398 624
Elimination of Liabilities between group inter-segment	(18 680 798)	(16 175 964)
Total Consolidated Liabilities	34 641 718	20 222 660

F-Other profit or loss amounts

	<u>Total reportable segment</u>	<u>Elimination between group</u>	<u>Total consolidated June 30, 2024</u>
Finance income	208 482	-	208 482
Interest expense and Bank Charges	(1 385 501)	209 283	(1 176 218)
Depreciation and Amortization	701 805	-	701 805
	Total reportable segment	Elimination between group	Total consolidated June 30, 2023
Finance income	162 063	-	162 063
Interest expense and Bank Charges	(615 041)	13 524	(601 517)
Depreciation and Amortization	317 466	-	317 466

GB Corp. (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5- Operating segments (continued)

II- Operations results

	Passenger cars		Trucks and Buses		Two and three Wheelers		Financial New Washing Services		Other operations		Total
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	
Operating revenue	12 178 254	5 861 133	1 253 872	694 639	880 790	890 929	2 732 572	1 848 171	2 135 563	1 456 510	19 181 051
Operating cost	(9 644 292)	(4 594 521)	(842 741)	(537 439)	(639 832)	(706 852)	(2 129 116)	(1 457 800)	(1 546 144)	(1 068 350)	(14 802 125)
Gross profit	2 533 962	1 266 612	411 131	157 200	240 958	184 077	603 456	390 371	589 419	388 160	4 378 926
Selling and Marketing expenses											(720 023)
General and administrative expenses											(489 853)
Provisions and Impairment of Current and Non-Current assets (Net)											(1 486 751)
Other income											29 192
Operating profit											250 340
Gain from investment in associate											2 451 684
Finance cost (Net)											290 729
Net profit for the period before income tax											(1 298 236)
Income tax expense											1 444 177
Net profit for the period after income tax											835 433
Attributable to:											(337 008)
Shareholders of the parent Company											1 107 169
Non-controlling interests											652 639
Gain on sale of fixed asset											1 048 185
Gain from Scrap Sales											58 984
Other revenues											1 107 169
Cash incentive revenue											
Rent income											
Total											652 639

	June 30, 2024	June 30, 2023
6- Other Income		
Gain on sale of fixed asset	70 083	11 404
Gain from Scrap Sales	44 221	27 942
Other revenues	105 084	97 897
Cash incentive revenue	9 277	2 209
Rent income	21 675	1 349
Total	250 340	140 801

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7-Finance Costs (Net)

	June 30, 2024	June 30, 2023
Interest Income	196 519	153 180
Interest income on installment sales	11 963	8 883
Total Finance Income	208 482	162 063
Interest expense and bank charges	(1 176 218)	(601 517)
Foreign exchange loss	(330 500)	(258 056)
Total Finance Cost	(1 506 718)	(859 573)
Net Finance Cost	(1 298 236)	(697 510)

8- Provisions and Impairment of Current and Non-Current assets

	Balance at 1/1/2024	Provisions formed during the period	Provisions no longer required during the period	Effect of movements of exchange rates	Balance at 31/03/2024
Expected credit loss of Accounts & Notes receivable	330 576	72 757	(10 648)	16 163	408 848
Expected credit loss of due from related parties	87 232	-	-	32 849	120 081
Expected credit loss of Debtors & Other debit balances	92 582	23 812	(94)	16 881	133 181
Expected Credit Loss of Cash and cash equivalent	2 669	2 641	(43)	-	5 267
Warranty provision	37 065	14 307	(6 872)	-	44 500
Other Provision	388 724	23 324	(89 992)	-	322 056
	938 848	136 841	(107 649)	65 893	1 033 933
* Impairment of Inventory	75 730	9 862	(10 125)	240	75 707
	1 014 578	146 703	(117 774)	66 133	1 109 639

*The formation and reversal of Inventory impairment are charged in cost of sales at income statement.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

9-Earnings per share

A- EPS in consolidated net profit

Basic earnings per share is calculated by dividing net consolidated profit for the period by the weighted average number of ordinary shares issued during the period.

The General Assembly meeting agreed on March 27, 2024 to distribute dividends for the financial year ending on 31/12/2023 an amount of 217 100 000 EGP (at the rate 0.20 Piasters per share from a total paid up capital amounted 1 085 500 000 EGP) and it was approved by the general authority of investment on April 28, 2024.

	June 30, 2024	June 30, 2023
Net profit for the period (parent company share)	1 048 185	608 252
Divided by:		
Weighted average number of ordinary shares issued	1 085 500	1 085 500
Basic profit earnings per share/ EGP	0.966	0.560

10-Income tax

A-Income tax liabilities

	June 30, 2024	December 31, 2023 Restated
Balance at 1 January	344 262	324 089
Taxes paid during the period	(377 336)	(328 651)
Current income tax during the period (Note 10-C)	291 910	348 824
Balance at the end of the period	258 836	344 262

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

10-Income tax (Continued)

B-Deferred tax Asset and Liability	Note No.	Fixed Assets	Carried forward losses	Inventory Impairment	Warranty Provision	Revaluation surplus of fixed assets*	Notes payable	Capital Gains	Total	
									30-Jun-24	31-Dec-23
Deferred tax assets										
Balance at 1 January		11	130 827	9 143	29 311	-	17 653	-	186 945	257 769
Charged to the profit or loss statement		-	(18 529)	(914)	8 481	-	(11 405)	-	(22 367)	(70 824)
Balance at the end of the period		11	112 298	8 229	37 792	-	6 248	-	164 578	186 945
Deferred tax liabilities										
Balance at 1 January		(325 530)	-	-	-	(5 057)	-	(2 466)	(333 053)	(331 615)
Charged to the profit or loss statement		(26 095)	-	-	-	-	-	3 363	(22 732)	(2 758)
Charged to Statement of comprehensive income		-	-	-	-	2 453	-	-	2 453	1 320
Balance at the end of the period		(351 625)	-	-	-	(2 604)	-	897	(353 332)	(333 053)
Net Balance at the end of the period		(351 614)	112 298	8 229	37 792	(2 604)	6 248	897	(188 754)	(146 108)
Net										
Balance at 1 January		(325 519)	130 827	9 143	29 311	(5 057)	17 653	(2 466)	(146 108)	(73 846)
Charged to the profit or loss statement	(10-C)	(26 095)	(18 529)	(914)	8 481	-	(11 405)	3 363	(45 099)	(73 582)
Charged to Statement of comprehensive income		-	-	-	-	2 453	-	-	2 453	1 320
Balance at the end of the period		(351 614)	112 298	8 229	37 792	(2 604)	6 248	897	(188 754)	(146 108)

* The deferred tax charge for revaluation surplus of fixed assets has been charged to the consolidated interim statement of other comprehensive income

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

10-Income tax (Continued)

B-Deferred tax assets and liabilities (Continued)

Unrecognised deferred tax assets

Some deferred tax assets have not been recognised because it is not certain confirmation to use that tax benefit in the future

	June 30, 2024	December 31, 2023
Expected credit loss for accounts and notes receivables	91 991	74 380
Expected credit loss for other debt balances	29 966	20 831

Liability for temporary differences related to investments in subsidiaries, associates and joint venture was not recognized because the group controls the timing of reversal of the related temporary differences and given that they will not reverse in the foreseeable future.

C-Income tax expense

	June 30, 2024	June 30, 2023
Current income tax (Note 10-A)	(291 910)	(226 621)
Deferred tax – (Note 10-B)	(45 099)	43 827
Income tax for the period	(337 008)	(182 794)

D-Amounts recognized in OCI

	June 30, 2024			June 30, 2023		
	Before Tax	Taxes	After Tax	Before Tax	Taxes	After Tax
Foreign Currency translation difference	3 238 877	-	3 238 877	1 241 754	-	1 241 754
revaluation surplus of fixed assets cost	(4 931)	2 454	(2 477)	(6 704)	1 900	(4 804)
	3 233 946	2 454	3 236 400	1 235 050	1 900	1 236 950

11-Inventories

	June 30, 2024	December 31, 2023
Goods in transit	3 664 866	1 306 965
Cars, buses and trucks	5 847 122	2 576 045
Raw material and car components	1 532 483	1 063 733
Spare parts for sale	1 393 660	958 374
Work In progress	712 530	391 112
Tires	871	144 300
Oils	600	1 273
Total	13 152 132	6 441 802
* Impairment of inventory	(75 707)	(75 730)
Net	13 076 425	6 366 072

* The formation and reversal of Inventory impairment are charged in cost of sales at statement of profit / loss.

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

12-Long term notes receivables

	June 30, 2024	December 31, 2023
Long-term notes receivable	7 690 496	6 596 222
Interest income on installment sales	(1 257 791)	(1 098 666)
Net present value for long-term notes receivable	6 432 705	5 497 556
Expected credit loss for long-term notes receivable	(122 929)	(115 074)
Net	6 309 776	5 382 482

13-Accounts and notes receivables

	June 30, 2024	December 31, 2023
Total notes receivable	5 126 772	3 805 621
Unamortized interest	(1 257 791)	(1 098 666)
Net present value for short-term notes receivable	3 868 981	2 706 955
Trade receivable	2 750 311	1 550 874
Total	6 619 292	4 257 829
Expected credit loss for accounts and notes receivable balances	(285 919)	(215 502)
Net	6 333 373	4 042 327

The following table represents the Expected credit loss for accounts and notes receivables according to the expected losses model on June 30, 2024:

1-Non Banking -Financial Services

	Stage 1: Expected credit losses over 12 months	Stage 2: Lifetime ECL that is not credit impaired	Stage 3: Lifetime ECL with impaired credit	Total
Account & notes receivables	8 854 631	367 751	299 469	9 521 851
Deduct: Expected credit loss for accounts and notes receivable balances	(213 722)	(21 442)	(39 857)	(275 021)
Net	8 640 909	346 309	259 612	9 246 829

2- The sector of passenger and transport vehicles, buses, two- and three-wheelers vehicles and other operations

	The Balance	* The percentage of expected losses	Expected credit loss of account & notes receivables	Net
Notes Receivable	839 595	1.65%	(13 878)	825 717
Trade receivables	2 388 859	2%	(54 557)	2 334 302
From 1 to 30	140 859	4.1%	(5 767)	135 092
From 31 to 60	33 090	16%	(5 174)	27 916
From 61 to 90	15 503	34%	(5 279)	10 224
From 91 to 120	13 127	45%	(5 886)	7 241
More than 120	99 113	44%	(43 286)	55 827
Total	3 530 146		(133 827)	3 396 319

* The percentage vary according to the nature of each sector of the group and the payment method nature of customers
(Bank purchase order customers - Governmental customers - Credit customers - Insurance & Foreign warranty customers - Other customers)

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

14-Debtors and other debit balances

A-Long term debtors and other debit balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Excess in securitization operations	63 396	182 642
	<u>63 396</u>	<u>182 642</u>

B-Debtors and other debit balances

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Advance payments to suppliers	1 917 529	971 926
Withholding tax	547 186	487 668
Value added tax	119 586	50 696
Accrued interest	309 814	146 279
Accrued revenue	231 489	152 399
Letters of credit	682 098	442 262
Prepaid expenses	322 210	196 206
Security deposits with others	25 215	16 217
Letters of guarantee	252 329	208 238
Staff loans and custodies	120 720	90 936
Other debit balances	917 172	326 256
Customs duties	4 283	1 869
Total	<u>5 449 631</u>	<u>3 090 952</u>
Expected credit loss for debtor and other debit balances	(133 181)	(92 582)
Net	<u>5 316 450</u>	<u>2 998 370</u>

15-Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Time deposits	2 903 352	931 063
Cash on hand and in banks	3 928 443	3 401 510
Checks under collections	309 032	54 103
Treasury bills	-	120 231
Cash and Cash equivalents According to cash flow	<u>7 140 827</u>	<u>4 506 907</u>
Expected credit loss for Cash and cash equivalent	(5 267)	(2 669)
Net	<u>7 135 560</u>	<u>4 504 238</u>

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Originally issued in Arabic

16 - Property, plant, equipments and projects under construction

Cost	Land and Buildings	Machinery & equipment	Vehicles	Computers	Fixtures & furniture	Leasehold improvements	* Projects under construction	Total
Cost at 1 January 2023	3 080 657	1 075 972	788 775	197 604	1 115 908	128 017	779 626	7 166 559
Additions during the year	263 827	70 683	221 711	14 746	16 403	3 350	1 109 508	1 700 228
Transferred from projects under construction to PP&E and intangible assets	91 160	22 374	-	7 447	91 455	-	(212 436)	-
Disposals during the year	(87 226)	(5 702)	(69 160)	(4 429)	(15 753)	(203)	(12 059)	(194 532)
Effect of movements of translation of foreign entities	170 361	19 112	11 961	4 645	51 389	6 146	-	263 614
Balance at 31 December 2023	3 518 779	1 182 439	953 287	220 013	1 259 402	137 310	1 664 639	8 935 869
Cost at 1 January 2024	3 518 779	1 182 439	953 287	220 013	1 259 402	137 310	1 664 639	8 935 869
Additions during the period	127 203	20 150	173 922	13 406	153 808	763	658 206	1 147 458
Transferred from projects under construction to PP&E and intangible assets	1 282	177 557	-	175 -	15 707	-	(223 374)	-28653 -
Disposals during the period	(52 000)	(3 781)	(58 279)	-2000 -	(28 821)	-	(317)	(145 198)
Effect of movements of translation of foreign entities	306 569	50 039	35 680	15 846	144 513	14 043	-	566 690
Balance at 30 June 2024	3 901 833	1 426 404	1 104 610	247 440	1 544 609	152 116	2 099 153	10 476 164
Accumulated depreciation and impairment losses								
Accumulated depreciation at 1 January 2023	428 173	692 021	284 168	185 990	577 901	39 854	13 278	2 221 385
Depreciation during the year	46 720	91 185	85 858	26 567	102 921	11 338	-	364 589
Disposals during the year	(13 961)	(3 688)	(38 802)	(2 369)	(10 702)	(197)	-	(69 719)
Effect of accumulated depreciation modification using modification factor	-	(1 315)	(2 429)	-	(2 188)	-	-	(5 932)
Impairment of fixed asset	370 653	4 687	-	-	22	122	-	375 484
Effect of movements of translation of foreign entities	37 907	11 430	(3 131)	4 351	28 145	5 624	-	84 326
Accumulated depreciation at 31 December 2023	869 492	794 320	325 664	214 539	696 099	56 741	13 278	2 970 133
Accumulated depreciation at 1 January 2024	869 492	794 320	325 664	214 539	696 099	56 741	13 278	2 970 133
Depreciation during the period	22 729	46 973	59 181	9 383	53 781	4 310	-	196 357
Disposals during the period	(393)	(2 660)	(38 798)	(1 788)	(16 503)	-	-	(60 142)
Effect of accumulated depreciation modification using modification factor	-	-	-	-	(375)	-	-	(375)
Effect of movements of exchange rates	134 004	38 821	734	14 177	88 541	17 589	-	293 866
Accumulated depreciation at 30 June 2024	1 025 831	877 454	346 781	236 311	821 543	78 640	13 278	3 399 838
Net carrying Amount								
At 1 January 2023	2 652 484	383 951	504 607	11 614	538 007	88 163	766 348	4 945 174
At 31 December 2023	2 649 287	388 119	627 623	5 474	563 303	80 569	1 651 361	5 965 736
At 30 June 2024	2 876 001	548 950	757 829	11 129	723 065	73 476	2 085 874	7 076 327

* Projects under construction represented in the cost of buildings, factories expansions and showrooms, which are being prepared and fixed for the group use

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

17- Asset Right Of Use

	<u>Land & building</u>	<u>Total</u>
Cost		
Balance at January 1, 2023	633 476	633 476
Addition during the year	243 948	243 948
Disposals during the year	(53 107)	(53 107)
Effect of exchange rates	71 105	71 105
Balance at December 31, 2023	<u>895 422</u>	<u>895 422</u>
Balance at January 1, 2024	895 422	895 422
Addition during the period	449 551	449 551
Disposals during the period		
Effect of exchange rates	168 354	168 354
Balance at June 30, 2024	<u>1 513 327</u>	<u>1 513 327</u>
Accumulated depreciation and impairment losses		
Accumulated depreciation at January 1, 2023	201 941	201 941
Depreciation during the year	148 578	148 578
Disposals during the year	(12 576)	(12 576)
Effect of exchange rates	27 454	27 454
Accumulated depreciation at December 31, 2023	<u>365 397</u>	<u>365 397</u>
Accumulated depreciation at January 1, 2024	365 397	365 397
Depreciation during the period	155 531	155 531
Disposals during the period		
Effect of exchange rates	45 298	45 298
Accumulated depreciation at June 30, 2024	<u>566 226</u>	<u>566 226</u>
Net Book value at June 30, 2024	<u>947 101</u>	<u>947 101</u>
Net Book value at December 31, 2023	<u>530 025</u>	<u>530 025</u>

The right of use is represented in renting warehouses and showrooms, which are used in the activities of the group companies.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

18- Intangible assets and goodwill

	Goodwill	Computer software	Knowhow	Right to use trademark*	Total
Cost					
Balance at 1 January	252 780	78 179	5 703	177 375	514 037
Adjustments on beginning balance	184 635	-	-	-	184 635
Balance at 1 January Restated	437 415	78 179	5 703	177 375	698 672
Additions during the period	188 758	-	-	-	188 758
Transfer from PUC	-	28 653	-	-	28 653
Changes impact in the translation of foreign entities	242 351	-	-	-	242 351
Balance at June 30, 2024	868 524	106 832	5 703	177 375	1 158 434
Accumulated amortization					
Balance at 1 January	-	63 261	5 703	94 600	163 564
Amortization during the period	-	8 170	-	2 956	11 126
Balance at June 30, 2024	-	71 431	5 703	97 556	174 690
Net Book value at June 30, 2024	868 524	35 401	-	79 819	983 744
Net Book value at December 31, 2023 Restated	437 415	14 918	-	82 775	535 108

Goodwill

On September 8, 2008, GB Corp (GB Auto Previously) fully acquired the shares of GB for financial lease (S.A.E) which its business is financial leasing with all its fields, and the acquisition resulted in goodwill amounted to EGP 1 million.

During November 2010, the Group entered into 50% investment as a joint venture agreement in Almajmoa Alalamia Litijaret Alsalarat (GK), in Jordan, to acquire the existing business in Iraq, the joint venture agreement gives the group the power to govern the financial and operating policies of (GK) and as a result of this investment the group recognized a goodwill with an Amount EGP 249 million . During 30 september 2021 increased its stake in Almajmoa Alalamia Litijaret Alsalarat (GK) from 50% to 83.33% .

On October 26, 2017 the group fully acquired the shares of Egyptian International Maintenance and cars Manufacturing Company EIAC (S.A.E), and the acquisition resulted in goodwill amounted EGP 2.8 million.

During the second quarter of 2024, through a partnership agreement, the group invested 70.80% in Superior International For Automotive Trading company for the purpose of acquiring the existing car activity in Jordan. This agreement gives the group rights that enable it to control the financial and operational policies of Superior International For Automotive Trading company. This investment resulted in Recognition of goodwill amounting to 189 million Egyptian pounds and that is based on preliminary study in light of the current information available to date.

Goodwill is allocated as presented below:

	June 30, 2024	December 31, 2023
Iraq PC- Sales	675 896	248 910
Financial leasing activity	1 000	1 000
After Sale service- PC	2 870	2 870
Jordan PC- Sales	188 758	-
	868 524	252 780

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

18-Intangible assets and goodwill (Continued)

The Company assesses annually the impairment of goodwill at December 31, to ensure whether the carrying amount of the goodwill is fully recoverable, unless there are indicators required to test the impairment through the year.

Impairment of goodwill is assessed based on value in use, which is determined using the expected discounted cash flows based on estimated business plan approved by the Board of Directors covering five years' period. The management is preparing these estimated business plan based on the financial, operating and market performance in the previous years and its expectations for the market development.

***Right to use trademark**

On June 28, 2007, GB Corp (GB Auto Previously) fully acquired the shares of Cairo Company for Personal Transportation Industries (Citi) by purchasing 49.03%, which was owned by the minority, at a value of 210 million Egyptian pounds, in return for obtaining shares from the issuance of shares to increase the capital of the company.

GB Corp (GB Auto Previously). Based on this acquisition, the company obtained the right to use the trademark of one of the company's main suppliers related to the activity of the 2&3 wheeled Sector, at an amount of 177 million Egyptian pounds on the date of acquisition.

19-Investments property

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Balance at 1 January	90 905	90 905
Balance at the end of the period	<u>90 905</u>	<u>90 905</u>

The fair value of investment property which is represented in the fair value of the land held on December 31, 2023 amounted to 157 million Egyptian pounds according to a prepared study by an independent real estate office .

20-Issued and paid in capital

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Authorized capital (5 000 000 000 shares with par value EGP 1 each)	5 000 000	5 000 000
Issued and paid capital (1 085 500 000 shares with par value of EGP 1 each)	<u>1 085 500</u>	<u>1 085 500</u>

On August 31, 2014, the Board of Directors according to the delegation of the extra ordinary assembly meeting held on June 27, 2013, has decided unanimously to increase the Company's issued capital with the par value in the limit of the authorized capital with an amount of EGP 6 444 645 divided on 6 444 645 shares with a par value of 1 EGP /share, wholly allocated to ESOP system which is applied by the Company, resulted in an issued capital of

EGP 135 337 545 after the increase divided on 135 337 545 shares with a par value of 1 EGP/share, and this increase financially fully paid from the special reserve balance and annotated in the commercial register at December 31, 2014.

Private offering (Capital Increase).

on February 4, 2015, the extra ordinary general assembly meeting, has agreed to increase the Company's authorized capital from 400 million EGP to 5 billion EGP and to increase the Company's issued capital from

EGP 135 337 545 to be EGP 1 095 337 545 with an increase of EGP 960 000 000 to be divided on 1 095 337 545 shares with a par value of 1 EGP each. (In addition to issuance cost of 1 pts./share), and that increase to be fully allocated for the favor of old shareholders each according to their share in the Company's issued capital , and it is agreed to use the subscription right separately from the original share, with the Company's issued capital increase to be paid either cash and/or using due cash debts for the subscriber by the Company according to their contribution share.

This increase was subscribed by an amount of EGP 958 672 188 (EGP 473 225 502 in Cash and EGP 485 446 686 covered through the outstanding balances due to shareholders) divided on 958 672 188 shares with a par value of 1 EGP each to be the total capital issued and fully paid after the increase equals to EGP 1 094 009 733, it has been annotated in the commercial register at May 31, 2015.

The Extraordinary General Assembly unanimously agreed on June 5, 2022 to excute the company's treasury shares amounting to 8,509,733 shares and to reduce the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction becomes 1,085,500,000 Egyptian pounds, and it was approved by the General Authority for Investment on 3/8/2022 It was annotated in the Commercial Register on August 15, 2022.

Misr for Central Clearing Depository & Registry accepted the implementation of the capital reduction decision on October 26, 2022.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
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21-Treasury Shares

On March 1, 2020, the Board of Directors of the company decided to purchase treasury shares with an maximum amount of 10 000 000 shares of the company, which represents 0.914% of the total shares of the company, through the open market, and that implementation be carried out from the session of March 2, 2020 and Until April 2, 2020, or until the full amount is executed, with the same price of the security during trading sessions in the execution period in light of the amendment issued in Article (51) of the registration rules issued by the Board of Directors of the Financial Supervisory Authority No. 27 of 2020 on February 29, 2020 And that works in it as of the date of its issuance, as well as the statement posted on the announcement screens on the Egyptian Stock Exchange on March 1, 2020 regarding the exceptional procedures for companies whose securities are listed on the stock exchange wishing to purchase treasury shares.

During the period from March 3, 2020 to March 18, 2020 ,The company has purchased 10 million shares with a total value of 19.570 million Egyptian pounds. The amount of 10 million pounds has been recorded as treasury shares representing the nominal value of the share. The difference between the purchase cost and the nominal value of the amount of 9.570 million Egyptian pounds has been recorded in the other reserves (Note 23):

During the year of 2020, the company sold 2 million shares with a total value of 6 750 Thousand Egyptian pounds, resulting in a reduction of 2 million Egyptian pounds. This represents the nominal value of the share, and the difference between the sale value and the nominal value of 4 750 thousand Egyptian pounds was recorded within the other reserves .

During the period from January 1, 2021 to March 31, 2021, the company sold 8 million shares with a total value of 30 232 thousand Egyptian pounds, resulting in a reduction of 8 million Egyptian pounds. This represents the nominal value of the share and the difference between the sale value and the face value of 22 232 Thousand Egyptian pounds among other reserves (Note 23)

During the period from November 28, 2021 to December 21, 2021The company has purchased 8 509 733 shares with a total value of 38 681 thousand Egyptian pounds. The amount of 8 510 Thousand Egyptian pounds has been recorded as treasury shares representing the nominal value of the share. The difference between the purchase cost and the nominal value of the amount of 30 172 thousand Egyptian pounds has been recorded in the other reserves (Note 23).

On June 5, 2022 the Extraordinary General Assembly unanimously approved the execution of the company's treasury shares, amounting to 8 509 733 shares, and the reduction of the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction became 1 085 500 000 Egyptian pounds, and it was approved by the General Authority for investment on August 3, 2022 and annoted in commercial register on 15 August 2022 .

22-Legal reserve

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Balance at 1 January	562 734	533 542
Transferred to legal reserve	147 177	54 437
Change of non controlling interest without change in control	-	(25 245)
Balance at the end of the period	<u>709 911</u>	<u>562 734</u>

In accordance with the Companies Law No 159 of 1981 and the Company's articles of association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the board, the Company may stop such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

The legal reserve includes an amount of EGP 74 773 thousand related to the parent Company, the rest of the balance represents the legal reserve of the Group's Companies

GB Corp (S.A.E)

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23-Other reserves

	Foreign currency translation reserve	ESOP (Fair value) reserve	Surplus Revaluation of fixed assets reserve	Share premium (special reserves)*	Total
Balance as at January 1, 2024 Restated	3 517 780	88 882	57 789	904 041	4 568 492
Foreign currency differences	2 893 895	-	-	-	2 893 895
Modification effect of fixed assets cost	-	-	(2 477)	-	(2 477)
Balance at June 30, 2024	6 411 675	88 882	55 312	904 041	7 459 910

*Share premium

The share premium represented in the difference between the amount paid and nominal value for issued shares and issuance cost is deducted from it. The share premium was transferred to both legal reserve and special reserve according to Law No. 159 of 1981.

	June 30, 2024	December 31, 2023
Share premium	904 041	904 041

The special reserve represented in the transferred amount from the net share premium in 2007 less the amount transferred to the legal reserve.

During 2011, the special reserve was reduced by an amount of EGP 2 990 thousand which represents the difference between treasury shares purchasing cost amounted to EGP 3 097 thousand and the nominal value of these shares amounted to EGP 107 thousand which was written off during 2012.

During 2012, the special reserve was reduced by an amount of EGP 2 114 thousand which represents the differences between treasury shares purchasing cost amounted to EGP 6 365 thousand and its reselling price amounted to EGP 4 251 thousand.

The share premium was reduced by an amount of 9 570 thousand EGP, which represent the difference between cost of purchasing treasury shares during the year 2020 with an amount of 19 570 thousand EGP and the nominal value of shares of 10 million EGP.

The share premium has also been increased by an amount of 4,750 thousand Egyptian pounds, representing the difference between the sale price of treasury shares during the year 2020 by an amount of 6,750 thousand Egyptian pounds and the nominal value of the shares of 2 million Egyptian pounds.

24-Non-controlling Interest

	Capital	Payment Under capital increase	Reserves	Legal reserve	Financial Solvency Reserve	General risk reserve	Retained earnings	June 30, 2024	December 31, 2023
Balance at 1 January	502 133	18 223	728 956	76 523	6 228	-	30 895	1 362 958	728 195
Net profit / loss for the period	-	-	-	-	-	-	58 984	58 984	(79 199)
Foreign currency translation results	-	-	344 982	-	-	-	-	344 982	207 253
Capital increase	68 328	4 077	-	-	-	-	-	72 405	18 223
Change in Non-controlling interests without changing in control	-	-	-	-	-	-	-	-	647 573
Transfer to legal reserve	-	-	-	15 512	-	-	(15 512)	-	-
Transfer to financial solvency reserve	-	-	-	-	2 341	-	(2 341)	-	-
Dividends Distributions	-	-	-	-	-	-	(15 751)	(15 751)	(159 087)
Balance at the end of the period / year	570 461	22 300	1 073 938	92 035	8 569	-	56 275	1 823 578	1 362 958

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI (Almajmos Alalamia Lilitjaret Alsaierat (GK)16.67%,Ghabbour AL Qalam (GQ) 32% & GB Company for financial lease and factoring "S.A.E" 45% Autombilak "S.A.E" 16% & Transport Vechile distribution "S.A.E" 6%) , before any intra-group eliminations:

	June 30, 2024	December 31, 2023
Non-current assets	5 210 169	3 754 685
Current assets	14 693 884	8 062 893
Non-current liabilities	(3 490 466)	(2 999 999)
Current liabilities	(9 723 396)	(4 124 322)
Net assets attributable to NCI	1 689 779	1 294 956
Revenue	5 768 870	8 512 243
Net Profit for the period / year	312 153	692 634
Net profit period / year attributable to NCI	73 851	193 004

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
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25-Capital Management

The group's management aims to manage capital to maintain the group's ability to continue in a way that achieves a return for shareholders and provides benefits to other stakeholders that use the financial statements. Providing and maintaining the best capital structure for the purpose of reducing the cost of capital. To maintain the best capital structure, management changes the value of dividends paid to shareholders, reduces capital, or issues new shares for the group's capital.

The Group's management monitors the capital structure using the ratio of net loans to total capital. Net loans are the total of loans, advances and notes payable minus cash. The total capital represents the company's total equity as shown in the consolidated balance sheet, in addition to net loans.

Net debt to equity ratio at June 30, 2024 and December 31, 2023 as follows:

Total loans and notes payables

	June 30, 2024	December 31, 2023 Restated
Loans, borrowings and overdrafts	18 183 194	12 237 670
Short-term notes payable - suppliers	135 831	387 663
Total loans and notes payables	18 319 025	12 625 333
Less:		
Cash and cash equivalent	(7 135 560)	(4 504 238)
Net debt	11 183 465	7 470 595
Shareholders' equity	23 243 476	19 792 950
Net debt to equity ratio	0.48	0.38

26-Loans, borrowings and overdrafts

	June 30, 2024			December 31, 2023		
	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Banks overdraft	9 247 550	-	9 247 550	5 788 806	-	5 788 806
Loans	3 526 405	5 409 239	8 935 644	1 885 690	4 563 174	6 448 864
Total	12 773 955	5 409 239	18 183 194	7 674 496	4 563 174	12 237 670

A.Banks overdraft

	June 30, 2024	December 31, 2023
Less than one year	9 247 550	5 788 806
	9 247 550	5 788 806

B.Loans

The group (the non-banking financial services sector) obtained medium and long-term bank loans for the purpose of financing car sales contracts and operational and financial lease contracts. The repayment period for these loans reached 5 years for each operation financed by guaranteeing the financial rights of the contracts concluded and arising from those contracts towards the clients of the group companies

	June 30, 2024	December 31, 2023
Less than one year	3 526 405	1 885 690
More than one year and less than five years	5 409 239	4 563 174
	8 935 644	6 448 864

GB Corp. (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2024
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27-Trade payables and other credit balances

	June 30, 2024	December 31, 2023
Trade payables	9 024 546	3 249 478
Other credit balances	656 967	358 992
Advances from customers	1 050 962	821 168
Tax Authority	56 641	13 912
Value added tax	94 841	145 907
Accrued expenses	1 790 966	1 307 251
Accrued interest expense	252 922	52 266
Retention from others	100 685	89 642
Notes payables	135 831	387 663
Lease liability	748 248	514 038
Dividends payable*	42 033	10 317
Deferred revenues	4 213	134 387
Due to clients for securitization	247 290	25 129
	14 206 145	7 110 150

* The due dividends were paid during April 2024.

28-Provisions

	Legal Claims	Warranty Provision	Other Provisions	Total
Balance at January 1, 2024 Restated	74 124	108 915	235 455	418 494
Provisions formed during the period	-	14 306	68 891	83 197
Provisions utilized during the period	-	(6 872)	(9 122)	(15 994)
Provisions no longer required	-	(1 114)	(58 398)	(59 512)
Effect of movement of exchange rates	569	5 390	6 474	12 433
Balance at June 30, 2024	74 693	120 625	243 300	438 618
Balance at January 1, 2023	62 931	108 536	188 783	360 250
Provisions formed during the year	10 990	36 007	165 518	212 515
Provisions utilized during the year	-	(14 528)	(30 554)	(45 082)
Provisions no longer required	-	(23 419)	(91 385)	(114 804)
Effect of movement of exchange rates	203	2 319	3 093	5 615
Balance at December 31, 2023 Restated	74 124	108 915	235 455	418 494

Legal claims provision

The amounts shown comprises of gross provisions in respect of legal claims brought against the Group, and management opinion after taking appropriate legal advice, that the outcome of these legal claims will not exceed significantly the provision formed as at June 30, 2024.

Warranty Provision

The Group provides warranty on its products and guarantees to either fix or replace the products that are not working properly, and the Group has estimated its warranty provisions to be EGP 120 625 thousand at the end of the period for expected warranty claims (local component) in the light of management experience for repair and returns level in previous years the warranty provision includes a long-term provision amounted as at June 30, 2024 EGP 7 070 thousand (at December 31, 2023 EGP 7 070 thousand).

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28-Provisions (Continued)

Other provisions

Other provisions are related to claims expected to be made by a third party due to the interpretation disputes related to some laws and regulations regarding the Group operations.

The information normally published about provisions in accordance with accounting standards has not been disclosed as the management believes that doing so would drastically affect the outcome of the negotiation with those related third parties according to the paragraphs no. 91 and 92 of the EAS 28 and such provisions are reviewed by management on a yearly basis and adjusted based on latest developments, discussions and agreements with the third party.

A portion of the value of the formed and (no longer required) of the other provisions is included in the sales revenue. The value of the formed provisions on June 30, 2024 amounted to 92 213 thousand Egyptian pounds and the value of the no longer required provisions is 148 390 thousand Egyptian pounds EGP.

29-Financial risk management

1- Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, price risk, cash flows and fair value interest rate risk), credit risk and liquidity risk.

The Group's management aims to minimize potential adverse effects of such risks on the Group's financial performance

A-Market risk

1.Foreign currency exchange rate risk

The Group is exposed to foreign exchange rate risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Foreign exchange rate risk arises from future commercial transaction, assets and liabilities in foreign currency outstanding at the consolidated balance sheet date, and also, net investments in foreign entity.

The amendment on the accounting standards

On March 3, 2024, the Prime Minister issued Resolution No. 636 amending Egyptian Accounting Standard No. (3) Effects of Changes in Foreign Exchange Rates (Egyptian Accounting Standard No. 13), Paragraph 57A, which is effective as of January 1, 2024.

The Group applied the amendment to Paragraph No. 57A of Egyptian Standard No. 13 and conducted an assessment to determine whether there is a difficulty in exchanging foreign currencies against the Egyptian pound. Below is a summary of the results of this evaluation:

The summary of the assets and liabilities that denominated at USD and Euro as follows as of 1st January 2024

The accounts of financial position	The balance on 1 st January 2024 USD	The balance on 1 st January 2024 Euro
Monetary Assets		
Cash and cash equivalent	66 705	1 276
Other monetary assets	15 280	1 605
Total Monetary assets	81 985	2 881
Monetary Liabilities		
Trade payables	30 380	1 919
Loans & Overdraft	9 680	3
Other monetary liabilities	8 205	-
Total Monetary Liabilities	48 265	1 922
Surplus	33 720	959

The assessment of the difficulty of exchanging the foreign currencies

The Group has assessed that there is no difficulty in exchanging assets denominated in foreign currencies as of January 1, 2024, which is the date of application of the amended Egyptian Accounting Standard No. 13, and this assessment was made on the basis that assets denominated in foreign currencies can be exchanged at the Bank at any time without any difficulty.

The Group has also assessed that there is no difficulty exchanging foreign currency denominated liabilities, to the extent that foreign currency denominated assets can be used to settle these liabilities.

The below table shows the exposures of foreign currencies at the consolidated balance sheet date, presented in EGP, as follows:

	June 30, 2024		December 31, 2023	
	Assets	Liabilities	Net	Net
US Dollars	2 044 506	(3 148 117)	(1 103 611)	1 297 611
Euros	85 317	(117 386)	(32 069)	32 905
Other currencies	101 525	(65 387)	36 138	35 659

In view of the global and domestic economic conditions and the geopolitical risks facing the country, the Government, represented mainly by the Central Bank of Egypt, took a series of financial measures during the years 2022 and 2023 to contain the impact of those crises, as well as the inflationary impact on the Egyptian economy. These measures included the devaluation of the Egyptian pound against foreign exchange, the raising of the rate of interest on one-night deposits and lending, the establishment of ceilings on withdrawals and the deposit of cash on banks. This has resulted in a decrease in the terms of exchange and availability of foreign currency through official channels, which has resulted in delays in the payment of foreign currency debts, as well as higher costs of purchase and reimbursement.

On 6 March 2024, the Central Bank of Egypt issued a decision to raise the rates of deposit and loan return for one night by 600 basis points to 27.25 per cent, 28.25 per cent, respectively. The credit and discount rate has also been raised by 600 points to 27.75%, allowing the use of a flexible exchange rate to be determined in accordance with market mechanisms. This led to an increase in the average official exchange rate of the United States dollar during the first week of the Central Bank decision, to 47.55 EGP/USD on 30 June 2024.

2.Price risk

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

3.Cash flows and fair value interest rate risk

Some of the group companies are exposed to the risk of changes in interest rates due to the existence of long-term loans. Long-term loans with variable interest rates expose the group to the risk of cash flows being affected by changes in interest rates. Long-term loans with fixed interest rates expose the group to the risk of the fair value being affected by changes in interest rates.

Loans, advances and bank overdrafts with variable interest rates amounted to 18,183,194 thousand Egyptian pounds on June 30, 2024 (12,237,870 thousand Egyptian pounds on December 31, 2023). It is worth noting that most of these loans and advances (non-banking financial services sector) were used for customer contracts for the purpose of financing car sales contracts and operating and financing lease contracts, and they are transferred by guaranteeing the financial rights of the contracts concluded and arising from those contracts towards the customers of the group companies.

Financial assets that carry fixed interest rates are amounted to EGP 2,903,352 thousand as at June 30, 2024 (EGP 931 063 thousand as at December 31, 2023).

		June 30, 2024	December 31, 2023
Time deposits	USD	2 748 354	863 450
Time deposits	EGP	154 998	67 613
		2 903 352	931 063

GB Corp (S.A.E)

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B-Credit risk

Credit risk is managed on a group basis. Due to presence of cash and bank deposits, as well as credit exposures to wholesalers and retail customers, including outstanding accounts and notes receivables.

For banks, the Group is dealing with the banks which have a high independent rating and banks with a good solvency in the absence of an independent credit rating.

For suppliers and wholesalers, the Credit Controllers assess the credit quality of the wholesale customer, taking into account their financial position, past experience and other factors.

For individuals the legal arrangements and documents accepted by the customer are minimizing the credit risk to its lowest level. Provisions are accounted for doubtful debts on an individual basis.

The ratio of allowance for impairment of accounts and notes receivables to the total debts is as following:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Notes and accounts receivables	15 567 579	11 952 717
Expected credit loss for accounts and notes receivable balances	408 848	330 576
The ratio of the expected credit loss to the total accounts and notes receivable	2.63%	2.77%

C-Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's management aims at maintaining flexibility in funding by keeping committed credit lines available.

D- Fair value estimation

the fair value is assumed to approximate the fair value less than any estimated credit adjustments for financial assets and financial liabilities with maturity dates of less than one year, and for disclosure purposes, the interest rates available to the company for similar financial instruments are used to reduce the contractual future cashflow to estimate the fair value of the financial liabilities

For the fair value of financial instruments that are not traded in an active market, The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the financial instruments or similar instruments are used for long-term debt.

Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. At the balance sheet date, the fair value of non-current liabilities does not significantly differ from their carrying amount, as the interest rates do not significantly differ.

GB Corp (S.A.E)

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

30-Investments in subsidiaries

The consolidated financial statements for GB Corp. "S.A.E.", include the financial statements which represents the proportion of direct and indirect investment as follows:

Company Name	June 30, 2024	December 31, 2023
RG Investment "S.A.E."	99.99%	99.99%
International Trade Agencies and Marketing Co. (ITAMCO) "S.A.E."	99.45%	99.45%
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt) "S.A.E."	99.53%	99.53%
Ghabbour Continental Trading Co. (GCT) –Alex "S.A.E."	100.00%	100.00%
GB Polo Buses Manufacturing "S.A.E."	100.00%	100.00%
Haram Company for Transportation and trading "S.A.E."	99.00%	99.00%
GB Company for Financial Lease and Factoring "S.A.E."	55.00%	55.00%
GB Auto Rental For Transportation "S.A.E."	100.00%	100.00%
GB Allab Company	66.20%	66.20%
Masters Automotive Company "S.A.E."	75.00%	75.00%
Almajmoa Alalamia Litijaret Alsaiaarat (GK)	83.33%	83.33%
GB Logistics "S.A.E."	99.98%	99.98%
GB Capital holding for Financial Investments "S.A.E."	99.00%	99.00%
Gulf Company	100.00%	100.00%
Drive for Car Trading "S.A.E."	100.00%	100.00%
Drive for Financing and Non Banking Service "S.A.E."	100.00%	100.00%
Ghabbour Al Qalam	68.00%	68.00%
GB Global Company	100.00%	100.00%
GBR Auto Company	54.00%	54.00%
GBR Services Company	48.80%	48.80%
Egypt Auto Mall Company for used car "S.A.E."	99.00%	99.00%
GB El Bostan (Under Liquidation)	60.00%	60.00%
Ghabbour General Trade (Under Liquidation)*	25.00%	25.00%
Pan African Egypt Company for Oil "S.A.E."(Under Liquidation)	100.00%	100.00%
Tires & More Company for Car Services "S.A.E."	100.00%	100.00%
Ready Parts for Automotive Spare Parts "S.A.E."	97.67%	97.67%
Engineering Company for Transportation Maintenance El Mikaneeky "S.A.E."	65.00%	65.00%
Egyptian International Maintenance and cars Manufacturing Company ELAC "S.A.E."	100.00%	100.00%
GB Finance BV (Luxembourg previously)	100.00%	100.00%
Salexia L.T.D. Trading (Cyprus)	100.00%	100.00%
BBAL Blue Bay Auto Loan Investments Cyprus LTD (Under Liquidation)	100.00%	100.00%
GB Capital Securitization S.A.E.	100.00%	100.00%
GB for Import & export	100.00%	100.00%

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GB Capital BV	100.00%	100.00%
GB Real Estate Mortgage Finance BV	100.00%	100.00%
Transport Vehicle Distribution TVD S.A.E.	94.00%	94.00%
Automobilk S.A.E	85.00%	85.00%
GB Finance Lease BV*	40.00%	40.00%
GB Operational Lease BV	100.00%	100.00%
GB Consumer Finance BV	100.00%	100.00%
SME's credit facilities company B.V.(GB Factoring B.V. Previously)	100.00%	100.00%
GB Global BV	100.00%	100.00%
GB Automotive For Trade and Manufacture	100.00%	100.00%
SME Credit Etaman "S.A.E."	100.00%	100.00%
International Company For car components "S.A.E."	51.00%	51.00%
GB Kenya	100.00%	100.00%
GB capital sukuk (S.A.E)	100.00%	100.00%
GB Tanzania	100.00%	100.00%
Superior International For Automative Trading company	70.80%	0.00%
GB Rental for Busses "S.A.E."	100.00%	0.00%
GB For Technology Solutions	100.00%	0.00%

* These investments are classified as investments in subsidiaries, where the group controls this investments , where it is entitled to variable returns during its participation and its ability to influence returns through its authority over the Invesments.

31- Payment under Investment fair value through profit and losses

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
GBM Global	72	72
Total	72	72

32- Capital Commitments

The capital contractual expenditure of the Group at the consolidated financial statements date reached EGP 221 799 thousand at June 30,2024 (EGP 158 965 thousand as at December 31, 2023) represented in the amount to be paid upon the completion of the new production lines under construction and other branches across the country.

33- Cointaingent Liabilities

There are contingent liabilities on the Group represented in letters of guarantee .The balance of the letters of guarantee granted by the Group in Egyptian Pounds and foreign currencies through its ordinary business, presented in EGP are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
USD	2 779 645	3 491 344
EGP	1 336 990	143 129
Japanese Yen	78 597	152 993
Euro	503 873	279 223
Crona Swidish	18 905	16 457

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34-Related party transactions

The subsidiaries have current accounts with related parties which include all payments made on behalf of the subsidiaries.

Balances due from and to related parties are as follows:

<u>Due from related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
El Bostan Holding	101 485	65 350
SIPAC – Algeria	36 157	23 243
Algematco – Algeria	75 502	48 536
MNT Investment B.V. Group	33 705	289 408
Auto Market Misr	-	3 345
El Qalam Shareholders' Current Account	-	4 948
Total	246 849	434 830
Expected credit loss for due from related parties	(120 081)	(87 232)
	126 768	347 598

<u>Due to related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Wahdan Company	68	68
Al Qalam Shareholders' Current Account	16 306	-
	16 374	68

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The following is the nature and the values for the most significant transactions with the related parties during the period:

Related party name	Relation type	Transaction nature	Transaction amount	
			June 30, 2024	December 31, 2023
Executive BOD Members	Board of Directors	Top Management Salaries	34 592	48 158
SIPAC – Algeria	Shareholder in one of the subsidiaries	Foreign Currency translation difference	(12 914)	(5 228)
El- Qalam Shareholder current account	Shareholder in one of the subsidiaries	Foreign Currency translation difference	7 713	4 948
Marco Polo Company	Former shareholder in one of the subsidiaries	Services	-	93 587
Algernaco – Algeria	Shareholder in one of the subsidiaries	Foreign Currency translation difference	26 966	7 488
Bostan Holding	Company owned by a shareholder of one of the subsidiaries	Foreign Currency translation difference	(36 135)	39 741
MNT Investment B.V. Group	Associate	Cash transfers	(255 703)	207 891

35- Investment in associates

	Contribution percentage	December 31, 2023	Adjustments on the beginning balance	December 31, 2023 Restated	Net Profit for the period	Remapping	Adjustments	Additions	Dividends	June 30, 2024
MNT Investment B.V. Group (Netherlands) **	47.20%	10 542 356	(230 341)	10 312 015	282 286	-	-	406 830	(96 492)	10 904 639
Bodala for Real estate Financing	33.33%	83 477	-	83 477	2 748	-	-	-	-	86 225
Kaf for life insurance *	37.50%	-	-	-	5 695	50 000	(2 523)	40 000	-	93 172
		10 625 833	(230 341)	10 395 492	290 730	50 000	(2 523)	446 830	(96 492)	11 084 036

*On May 30, 2022, G.B. Capital Investments awarded Kaf (formerly Tokyo Marine) a Subordinated loan of 50 million Egyptian pounds with no interest and no fixed duration which the company classified it as investment in associate during the period.

**On May 2024, GB Corp group contributed partially in the capital increase executed by MNT Investment B.V. Group (Netherlands) which led to a dilution of GB Corp Group ownership MNT Investment B.V. Group to reach an ownership of 47.20%.

Subsequent event:

During the third quarter of 2024, MNT B.V (Netherlands), has acquired (TAM Finans), a leading fintech company in Turkey, against a payment in cash and the remaining of the payment is shares exchange which lead to further dilution GB Corp ownership to reach 44.01% after the acquisition.

36-Other investments with fair value through Comprehensive Income

	Contribution percentage	June 30, 2024	December 31, 2023
Sky reality holding **	7.49%	142 261	103 500
Adana company for car service	29.60%	2 000	2 000
Seatr application	17.50%	500	500
Tawdqa.com	10.00%	500	500
		145 261	106 500

*These investments have not been classified as associated companies due to the lack of significant influence on the financial and operating policy decisions of these companies.

**GB Corp Group contributed in the capital increase executed by sky reality holding to retain the same ownership of 7.49%.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

37- Income statement according to expense nature

	June 30, 2024	June 30, 2023
Operating Revenue	19 181 051	10 751 382
Operating Cost	(14 802 125)	(8 364 962)
Gross Profit	4 378 926	2 386 420
Other income	250 340	140 801
Provisions no longer required	90 751	32 166
Gain from investment in associate	290 729	482 530
Interest income	196 519	153 180
Installment sales interest	11 963	8 883
Bank expense	(179 040)	(77 703)
Interest expense	(997 179)	(523 814)
Employees salaries & benefits	(1 382 881)	(803 878)
Selling & Marketing expenses	(142 371)	(91 830)
Rents	(52 456)	(43 920)
Net (Losses) foreign exchange transaction	(330 500)	(258 056)
Provisions formed	(61 559)	(99 337)
Depreciation and Amortization	(154 024)	(112 546)
Consulting	(89 984)	(60 932)
Transportation	(25 035)	(18 447)
Vehicles expense	(33 546)	(34 795)
Governmental Fees & stamps	(39 839)	(55 915)
IT Expense	(56 834)	(28 759)
Other Expenses	(22 943)	(30 135)
Insurance	(20 465)	(14 548)
Security Expense	(17 369)	(12 976)
Training employees	(15 560)	(13 088)
Repair/Maintenance Expenses	(1 648)	(801)
Administration Supplies	(31 071)	(19 840)
Utilities	(13 640)	(8 760)
Donations & Public relation	(38 692)	(23 586)
Medical Fund	(39 705)	(24 082)
Freight	(28 710)	(10 799)
Net profit for the period before income tax	1 444 177	835 433

38- Securitized Operations

During the period the group (the non-banking financial services sector) signing into money transfer contracts and the data on securitization operations are as follows:

The securitization portfolio consists of financial rights and deferred dues secured by various guarantees in favor of the assignor, which have been transferred to the assignee. The assignor has transferred financial rights and deferred payment dues for the purpose of issuing securitized bonds.

June 30, 2024		December 31, 2023	
Total Value	Present Value	Total Value	Present Value
52 505 125	23 896 544	37 704 694	16 660 872

GB Corp (S.A.E)

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

39-Bonds

Drive finance company has adopted a bond issuance program on several issues under the private placement system, which are tradable and non-transferable nominal bonds over several issues for a period of (3) years at an amount of 2,000,000 Egyptian pounds (only two billion Egyptian pounds only) and for a period of no less than For thirteen months for each issue, and with an equal rank in the priority of payment and guarantee with the rank of the current and future long-term financial debts of the issuing company with the exception of the legally established privileges and with the exception of the secured loans mentioned in the information memorandum in accordance with the decision of the Board of Directors of the Financial Supervisory Authority No. 54 of 2014 and its amendments And at a nominal value of (100) pounds per bond.

The first version of the program was launched at an amount of 700 million Egyptian pounds on 23/06/2022, as follows:

Part (A): Nominal bonds that are negotiable, non-convertible to shares and not subject to accelerated call-up for a period of thirteen (13) months starting from the day following the date of closing the subscription door, with a value of EGP 300,000,000,000 (only three hundred million Egyptian pounds) with a nominal value of 100 EGP (only one hundred Egyptian pounds) per bond, it is to be consumed monthly as of the first month from the date of closing the subscription door with a fixed monthly installment amounting to 23 076 923 Egyptian pounds and with a fixed annual return of 14%, calculated starting from the day following the date of closing the subscription door It is paid monthly, starting from the first month of the subscription closing date.

Part (B): Nominal bonds that are negotiable, non-convertible into shares, and subject to accelerated call-up starting from coupon No. (14) (the 14th month of issuance) and for a period of sixty (60) months starting from the next day from the date of closing the subscription door, with a total value of 400,000,000,000 EGP (only four hundred million Egyptian pounds) with a nominal value of 100 EGP (only one hundred Egyptian pounds) per bond to be amortized over a period of (60) months starting from the first month of the subscription closing date with a fixed monthly installment 6 666 667 EGP with a fixed annual return It amounts to 13.5% and is calculated starting from the day following the closing date of the subscription and is paid monthly, starting from the first month of the closing date.

	June 30, 2024				
	Total Value	Borrowing Cost	Converted from more than one	Paid	Net
Installments Due within a year	356 923 077	(1 907 072)	180 534 160	(455 550 165)	80 000 000
Installments Over a year	343 076 923	(2 542 763)	(180 534 160)	-	160 000 000
Total	700 000 000	(4 449 835)	-	(455 550 165)	240 000 000

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

40- Adjustment on Consolidated statement of financial position as in 31 December 2023

(All amounts in thousand Egyptian Pound)	Note	Before the restatment	Adjustments	After the restatment
Assets				
Non-current assets				
Property, plant, equipment and projects under construction (Net)		5 965 736		5 965 736
Assets right of use		530 025	-	530 025
Intangible ssets		350 473	184 635	535 108
Investment FV through P/L		72	-	72
Investment in associate	(35)	10 625 833	(230 341)	10 395 492
Investments in fair value through OCI		106 500	-	106 500
Long term notes receivables (Net)		5 382 482	-	5 382 482
Deferred tax assets		186 945	-	186 945
Investment property		90 905	-	90 905
Debtors and other debit balances		182 642	-	182 642
Subordinated Loan		50 000	-	50 000
Total non-current assets		23 471 613	(45 706)	23 425 907
Current assets				
Asset Held for sale		855 000	-	855 000
Inventories (Net)		6 366 072	-	6 366 072
Accounts and notes receivables (Net)		4 042 327	-	4 042 327
Debtors and other debit balances (Net)		2 998 370	-	2 998 370
Due from related parties		347 598	-	347 598
Cash on hand and at banks		4 504 238	-	4 504 238
Total current assets		19 113 605	-	19 113 605
Total assets		42 585 218	(45 706)	42 539 512
Equity				
Issued and paid in capital		1 085 500	-	1 085 500
Reserve for financial Solvency		7 612	-	7 612
Legal reserve		562 734	-	562 734
Other reserves		4 383 857	184 635	4 568 492
Private risk reserve - Non banking financial service		20 393	-	20 393
Retained Earning		11 887 833	(230 341)	11 657 492
Net Profit for the year		1 890 727	-	1 890 727
Equity attributable to shareholders of the parent		19 838 656	(45 706)	19 792 950
Non-controlling interests		1 362 958	-	1 362 958
Total equity		21 201 614	(45 706)	21 155 908
Liabilities				
Non-current liabilities				
Loans		4 563 174	-	4 563 174
Long term Bond		200 000	-	200 000
Long term notes payables and creditors		288 593	-	288 593
Right of use Liability		371 314	-	371 314
Warranty provisions		7 070	-	7 070
Deferred tax liabilities		333 053	-	333 053
Total non-current liabilities		5 763 204	-	5 763 204
Current liabilities				
Provisions		340 596	70 828	411 424
Current tax liabilities		415 090	(70 828)	344 262
Loans, borrowings and overdrafts		7 674 496	-	7 674 496
Due to related parties		68	-	68
Bond		80 000	-	80 000
Trade payables and other credit balances		7 110 150	-	7 110 150
Total current liabilities		15 620 400	-	15 620 400
Total liabilities		21 383 604	-	21 383 604
Total equity and liabilities		42 585 218	(45 706)	42 539 512

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Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

41 –Special Risk Reserve

The risk reserve is represented in non-banking financial services, the effects of applying the Egyptian Accounting Standard No. 47 “Financial Instruments” equivalent to 1% of the assets listed in the risk weights in accordance with the provisions of the decisions issued by the Board of Directors of the General Authority for Financial Supervision No. 200 of 2020 on some companies that engage in financial activities

Non-banking activities, and the balance on June 30, 2024, reached 20.3 million Egyptian pounds, and the balance of this reserve will not be used after applying Standard No. 47 except after obtaining the prior approval of the Authority.

42 – General Risk Reserve

A general risk reserve is the difference between applying the expected credit loss model according to the non-bank financial companies' application of the Egyptian Accounting Standard No. 47 on January 1, 2021, for the provision for doubtful debts.

43- Reserve for financial Solvency

In accordance with Article No. (6) of the Financial Regulatory Authority’s Board of Directors Decision No. (191) of 2018, a general provision is formed at the rate of (1%) of the total regular balances, and a provision is formed on doubtful balances according to the rates of delay in collection divided into four Levels according to the degree of regularity in payment for each individual case.

An amount of retained profits or losses is set aside in the solvency risk reserve account within equity, and the reserve amount is calculated and always adjusted by deduction from or refund to the retained profits or losses, by the amount of the excess of the impairment provision calculated in accordance with the solvency standards over the provision for impairment of customers that was recognized in accordance with Egyptian accounting standards at the date of the financial statements.

Account	
(1) The balance of provisions for doubtful financing balances in accordance with the basis for calculating provisions in Article No. (6) of the Financial Regulatory Authority’s Board of Directors Resolution No. (191) of 2018.	240 582
(2) Balance of net impairment of customers as recorded in the books and according to Egyptian accounting standards (expected credit losses).	(232 013)
The balance of reserve for financial solvency	8 569

44- Assets held for sale

The balance represents the value of land obtained from one of the group's subsidiaries customers, as the company's management intends to sell this land in the short term.

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

45- Significant accounting policies

The following accounting policies that are adopted in the preparation of the consolidated financial statements are summarized below:

A- Business combination

- The Group accounts for business combination using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the net assets acquired.
- Any goodwill that is tested annually for Impairment. Any gain on a bargain purchase recognized in profit or loss immediately.
- Transaction cost is expensed as incurred, except for the issuance of securities related to the issue of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of previously outstanding relationship. Such amounts are generally recognised in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that met the definition of financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and in addition to the changes in the fair value of the contingent consideration are recognized in profit or loss.

1) Subsidiaries

- Subsidiaries are entities controlled by the Group.
- The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its authority over the entity.
- The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2) Non-controlling interests

NCI are measured at their proportionate share of the acquirer's recognized net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4) Transaction elimination from consolidation financial statements

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from investment transactions that are accounted for using equity method with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the transferred assets.

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Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

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B- Foreign currency

1) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other comprehensive income.

2) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss. Then the partial share must be reclassified.

C- Discontinued operation

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

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

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

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Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

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D) Revenue from customer contracts.

Egyptian Accounting Standard No. 48 - Revenue from contracts with customers.

Egyptian Accounting Standard No. 48 specifies a comprehensive framework for determining the value and timing of revenue recognition. This standard replaces the following Egyptian accounting standards (Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts". Revenue is recognized When a customer is able to control units or services, determining the timing of the transfer of control - over a period of time or at a point in time - requires a measure of personal judgment.

The costs of assign a contract with customers

Under Egyptian Accounting Standard 48, some of the additional costs incurred in acquiring a contract with a customer ("contract costs"), which previously did not qualify for recognition as an asset under any of the other accounting standards, have been deferred in the consolidated statement of financial position.

E- Employee benefit

1) Short – term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or implied obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2) Share – based payment arrangements

The fair value (at the date of grant) of equity-settled share-based payment arrangements granted to employees in the form of equity instrument is generally recognised as an expense, with a corresponding increase in equity, over the maturity period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of grants that meet the related service and non-market performance conditions at the maturity date.

For share-based payment (equity instrument) grants with non-maturity conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no outstanding adjustments between expected and actual outcomes.

3) Defined contribution plans

The Obligations for the defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group pays contributions to the government social insurance system for their employees based on the rules of the social insurance law no 79 for the year 1975. The employees and employers contribute under this law with a fixed percentage of wages. The Group's commitment is limited to the value of their contribution. And the Group's contribution amount expensed in profits and losses according to accrual basis.

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4) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the financial statements date, then they are discounted - before tax - to reflect the time value of money.

F- Finance income and finance costs

The Group's finance income and finance costs include:

- interest income.
- interest expense.
- Foreign currency gains or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

Interest expense of non-banking financial corporations is represented in cost of sales and other corporations within finance costs.

G- Income Tax

The recognition of the current tax and deferred tax as income or expense in the profit or loss for the period, except in cases in which the tax comes from process or recognized event - at the same year or in a different period - outside profit or loss, whether in other comprehensive income or in equity directly or business combination.

1) Current income tax

The recognition of the current tax for the current period and prior periods and that have not been paid as a liability, but if the taxes have already been paid in the current period and prior periods in excess of the value payable for these periods, this increase is recognized as an asset. The taxable current liabilities (assets) for the current period and prior periods measured at expected value paid to (recovered from) the tax authority, using the current tax rates (and tax laws) or in the process to issue in the end of the financial period. Dividends are subject to tax as part of the current tax. Should only be offset when specific conditions are met. However, the offsetting of tax assets and liabilities is permitted only when certain criteria are met

2) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- a. Taxable temporary differences arising on the initial recognition of goodwill.,
- b. Temporary differences on the initial recognition of assets or liabilities in a transaction that is not:
 - 1) business combination
 - 2) And not affects neither accounting nor taxable profit or loss.
- c. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in

GB Corp (S.A.E)

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the Group. unrealized deferred tax assets are reassessed at each reporting date, and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

H- Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate share of production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

I- Property, plant and equipment

1) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The modified cost model was adopted which the cost and accumulated depreciation for some categories of fixed assets (Machinery and equipment, Vehicles, Furniture and office equipment, Tools and supplies) are modified using modification factors stated in annex (A) of EAS no. (13). The increase of net fixed assets which are qualified to modification, were recognized in other comprehensive income items and was presented as a separate item in equity under the name of "modification surplus of fixed assets". The realized portion of modification surplus of fixed assets is transferred to retained earnings or losses in case of disposal or abandonment of the asset which qualified for modification or usage (depreciation difference resulting from the adoption of the special accounting treatment).

2) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that a future economic benefits associated with the expenditure will flow to the Group.

3) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the (straight-line method) over their estimated useful lives for each item and is generally recognised in profit or loss.

Land is not depreciable. Estimated depreciation rates for each type of assets for current and comparative periods are as follow:

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Asset	Depreciation rate
Buildings	2%-4%
Machinery & equipment	10%-20%
Vehicles	20%-25%
Fixtures & Office furniture	6%-33%
IT infrastructures & Computers	25%
Leasehold improvements	20% - or lease period whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4) Reclassification to investment property

The reclassification of assets to investment property when the use of a property changes from owner-occupied to investment property.

5) Project under construction

The projects under construction recognized at cost. All expenses related to cost includes direct and necessary to prepare the asset to the state that is ready to use and in the purpose for which it was acquired for. The asset transferred from projects under construction to fixed assets when it is completed and ready to use.

J- Intangible assets and goodwill

1) Recognition and measurement

Goodwill:

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

Other intangible assets:

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

The right of use of the trademark is amortized on a straight line method over the expected 30 years of use.

Computer software

Costs associated with developing or maintenance of computer software programmes when recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate future economic benefits for more than one year, are recognised as intangible assets.

Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Expenditure to acquire computer software is capitalized and included as an intangible asset. Computer software costs recognised as assets are amortised using the straight-line method over their useful lives and not exceeding of 3 years.

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Knowhow

The amounts paid against knowhow are recognized as intangible assets in case of knowhow have a finite useful life and amortized over their estimated useful lives.

2) Subsequent expenditure

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

3) Amortization

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the (straight-line method) over their estimated useful lives, and is generally recognised in profit or loss.

Goodwill is not amortised.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K- Investment property

Investment property is property held by the Group for rental or rise in value, or both and initially measured at cost and subsequently at cost less accumulated depreciation and impairment, and recognize in profit and loss the depreciation expenses and impairment losses.

The depreciation of investment property calculated using (straight-line method) over their estimated useful lives for each type of investment property, land is not depreciated.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

L - Financial instruments

EAS 47- Financial instruments

EAS 47 – Defined the recognition and measurement of financial assets and financial liabilities and some of non-financial items agreements for sale or purchase. This standard replaces EAS 25 financial instruments: presentation and disclosure and EAS 26 financial instruments.

The recognition and measurement and EAS 40 financial instruments disclosures applied on 2021 disclosures.

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Financial assets and financial liabilities Classification and measurement

- The new standard requires the company to evaluate the classification of financial assets at the company's financial statements according to the financial assets cash flow conditions and the company related business module for financial assets certain category.
- EAS 47 has no longer available for sale classification for financial assets. The new standard contains different requirements for financial assets in debt instruments or equity instruments.

The financial instruments must be classified and measured by one of the following:

- Amortized cost, which actual interest rate will be applied or
- Fair value through comprehensive profit and loss with subsequent reclassification to profits and losses when the financial assets sale.
- fair value through profit and losses
 - a. Investments in equity instruments must be classified and measured by one of the following methods except for those considered and applied owners' equity accounting.
- Fair value through other comprehensive income through subsequent reclassification to profits and losses statement when financial assets have been sold.
- Fair value through profits and losses
 - b. The company initially continues in measurement of financial assets by using fair value plus cost of transaction at the initial recognition except the financial assets measured at fair value through profits and loss in accordance with the current practices.

EAS 47 largely retains the current requirements including those in EAS 26 for financial liabilities classification and measurements.

The application of EAS 47 didn't have a significant impact on the company's accounting policies related to financial liabilities and derivatives.

Impairment: -

- EAS 47 uses the expected credit loss model, which replaces the exposure loss model EAS 26, where there was no need for a provision for doubtful debts except in cases in which there is actual loss incurred in contrast, the ECL model requires the company to recognize for doubtful debts provisions on all financial assets included in amortized cost as well as debt instruments classified as fair value through other comprehensive income since initial recognition regardless of whether loss was incurred.

- Below are the main changes in the group's accounting policy for impairment of financial assets.

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

When determining a default for the purpose of determining the risk of a default, the entity shall apply a default definition consistent with Identification used for internal credit risk management purposes of the relevant financial instrument and theoretical qualitative indicators when appropriate. However, it is a rebuttable assumption that the default does not occur later when the financial asset is due for a period of 90 days unless an entity has reasonable and supportive information to demonstrate that the non-satisfactory default criterion is the most appropriate.

The definition of default used for these purposes is applied consistently to all financial instruments unless information is available that demonstrates that another default definition is more appropriate for a particular financial instrument.

A three-stage approach is applied to measure expected credit losses for financial assets listed at cost.

depreciated and debt instruments designated as Fair value through other comprehensive income. Assets are transferred through.

The following three stages are based on the change in the quality of credit ratings since initial recognition for these assets:

- Principle of these assets

- Stage one: 12-month expected credit losses.

For exposures that have not resulted in a quantitative increase in credit risk since initial recognition, a portion of the credit risk is recognized. Lifetime ECL based on the probability of default occurring over the next 12 months.

- Stage two: Lifetime ECL - not credit-impaired

For credit exposures that have resulted in a significant increase in credit risk since initial recognition, but not Credit impaired, lifetime expected credit losses are recognized.

- Stage Three: Lifetime Expected Credit Loss Financial assets are credit-impaired when the One or more events that have a detrimental effect on the estimated future cash flows of those assets Finance.

- Measurement

The company applied the simplified approach to calculate expected credit losses for the Auto &Auto related sector companies due to the absence of an important credit component associated with their contracts with customers while apply for the non-banking financial sector companies, the general approach was applied to calculate expected credit losses due to the presence of an important credit component in contracts with customers of that sector.

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Notes to the consolidated interim financial statements for the financial period ended June 30, 2024

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

- **Hedge accounting**

Egyptian Accounting Standard No. 47 increases the company's ability to apply hedge accounting. In addition, it has been Align the requirements of the standard more closely with the company's risk management policies, so hedge effectiveness will be measured in the future.

M- Share capital

1) Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS No. (24) "Income Tax".

2) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

N- Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in book value of the provision resulting from the use of discount rate to determine the present value, which reflects the passage of time is recognized as finance cost.

1) Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

2) Legal Claims

The recognition of the provision for legal claims when there are legal claims against the Group and after receiving appropriate legal advice.

3) Other Provisions

Provisions are recognized when there are other expected claims from third parties with respect to the activities of the Group and, according to the latest developments and discussions and agreements with those parties.

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O- Leases

Egyptian Accounting Standard (49) replaces Egyptian Accounting Standard No. (20) - Accounting rules and standards related to financial leasing operations.

- The Egyptian Accounting Standard No. (49) "Lease Contracts" provides a single accounting model for the lessor and the lessee, where the lessee recognizes the Asset right for use of the leased asset within the company's assets and also recognizes a liability, which represents the present value of the unpaid lease payments within the company's obligations, taking into account that Leases for the lessee are not classified as an operating lease or as a finance lease. There are optional exemptions for short-term and low-value leases.

With regard to the lessor, the lessor must classify each of its lease contracts as either an operating lease or a finance lease.

- With regard to the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present them as amounts receivable in an amount equal to the net investment in the lease contract.

For operating leases, the lessor must recognize lease payments from operating leases as income either on a straight-line basis or on any other regular basis.

Recognition and measurement

- At the inception of the contract, the company evaluates whether the contract contains lease arrangements. For such lease arrangements, the company recognizes Asset right for use and lease contract liabilities, with the exception of short-term lease contracts and low-value asset contracts as follows:

- On initial recognition, a right-of-use asset is measured as the amount equal to the lease liability, which is initially measured, adjusted for pre-contract lease payments, initial direct cost, lease incentives, and the discounted value of the estimated costs of dismantling and removing the asset. On subsequent measurement, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter of the estimated useful lives of the Asset right for use or the lease term.

- The lease contract obligation is measured at the beginning of the lease contract at the present value of the unpaid lease payments on that date over the lease period, and the lease payments must be discounted at the rate using the incremental borrowing prevailing in the country. In general, the company uses the incremental borrowing rate as a discount rate. The lease liability is then measured at amortized cost using the effective interest method.

- The Asset right for use and lease liability will be remeasured later in the event of one of the following events:

- The change in the rental price due to the linkage to the prices or the rate that became effective in the period.
- Amendments to the lease contract.
- Re-evaluation of the lease term.

Leases of non-core assets not related to the Company's main operating activities, which are short-term in nature (less than 12 months including renewal options) and leases of low-value goods are recognized in the income statement as incurred.

Important judgments in determining the lease term for contracts that include renewal options

The Company determines the term of the lease as the non-cancellable term of the lease, together with any periods covered by the option to extend the lease if such right can reasonably be exercised, or any periods covered by the option to terminate the lease, if it is certain to be exercised That right.

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The Company has the option under some lease contracts to lease the assets for additional periods, the Company applies judgment in assessing whether it is certain and reasonably certain to exercise the option to renew, that is to say, all relevant factors that create an economic incentive to exercise the renewal, after the commencement date, are taken into account. The Company reinstates the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew (for example) a change in business strategy.

P- Segmental reports

A segment is a group of related assets and operations that are subject to risks and returns that are different from those of other sectors or within a single economic environment subject to risks and returns that relate to it, other than those relate of segments operating in a different economic environment.

Q-Dividends

Dividends are recorded in the Group's financial statements in the year in which they are approved by the Group's shareholders.

R-Comparative figures

When necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

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S- New versions and amendments to the Egyptian Accounting Standards:

On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	<p>1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets.</p> <p>- This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Leasing Contracts" <p>2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested.</p> <p>The Company is not required to disclose the quantitative information required under paragraph 28(f) of</p>	The company will not use the revaluation model during the current period.	<p>The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023,</u> <u>retrospectively,</u> cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time.</p> <p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023,</u> <u>retrospectively,</u></p>

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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</p> <p>- The Company may select to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the Company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.</p>		<p>cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this treatment for the first time.</p>

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (34) amended 2023 "Investment property".	<p>1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property.</p> <p>2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts". 	The Company is currently assessing the impact of applying this new standard during the current period.	The amendments of adding the option to use the fair value model are effective for financial periods starting <u>on or after January 1, 2024</u> retrospectively, cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	<p>1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets.</p> <p>2- The Company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and</p>	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023</u> , retrospectively, cumulative

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.		impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	These amendments are effective for annual financial periods starting <u>on or after January 1, 2023 retrospectively</u> , cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			earnings or losses at the beginning of the financial period in which the Company applies this treatment for the first time.
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 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". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to</p>	The management of the company will study the impact of the application of the standard over the next year from the start of the company's financial period of 1 January of each year.	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.

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>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 ". 		
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	This standard doesn't applicable for the consolidated financial statements.	The amendments shall apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	<p>This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at 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>	The company reflect the impact of the financial standard on the financial statement through disclosure No (29A-1)	<p>Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after January 1, 2024 with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should:</p> <ul style="list-style-type: none"> • When the entity reports foreign currency transactions to its functional currency, any effect of the

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			<p>initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application.</p> <ul style="list-style-type: none"> When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			equity section on the date of initial application.
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company	The application starts on or after the first of January 2025, early adaption is allowed.

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46 – Significant Events

- 1- On July 1, 2023, the Iraqi government stopped importing 2&3 wheelers. The company's management is currently studying the future of Ghabbour Al-Qalam Company (a subsidiary) and the extent of the decision's impact on the subsidiary's activity.

- 2- The company filed an arbitration case against the People's Democratic Republic of Algeria during the year 2022. These proceedings were initiated because of the severe damage and losses suffered by the company due to the measures taken by the Algerian government against the company's business and investments in Algeria through the company's indirect shareholding amounting to 54% of the company's shares GBR Auto and 48.8% of the shares of GBR Service, which were incorporated in Algeria.
During the year 2023, the group recorded an impairment loss of the remaining consolidated assets of GBR Auto and GBR Service. The total value of the impairment losses that was recorded amounted to EGP 522 million, which is represented as follows: -

<u>2023</u>	(All amounts are in thousand Egyptian pounds)
Fixed Assets	375 486
Inventory	5 014
Accounts and notes receivables	9 195
Debtors and debit balances	16 912
Due from related parties	115 032
Cash and cash equivalent	396
Total	522 035

It should be noted that the minimum damage suffered by the company is the loss of its invested capital, amounting to approximately USD 24 million, excluding foregone profit and interest.