


GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Financial Statements
For The Financial Period Ended September 30, 2024
And Limited Review Report

 **Hazem Hassan**
Public Accountants & Consultants

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Translation of limited review report
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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 interim statement of financial position of GB Corp (S.A.E) as at September 30, 2024 and the related consolidated interim statements of Profit or Loss and comprehensive income, changes in equity, and cash flows for the nine -months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim 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 consolidated interim financial statements.

Conclusion

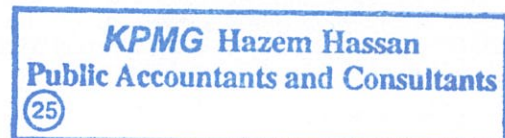
Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated interim financial position of the Company as at September 30, 2024 and of its consolidated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

KPMG Hazem Hassan

K. Samir

Public Accountants & Consultants

Cairo November 14, 2024



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

(All amounts in thousand Egyptian Pound)	Note No.	30 September 2024	31 December 2023 Restated
<u>Assets</u>			
<u>Non-current assets</u>			
Property, plant, equipment and projects under construction (Net)	(16)	7 518 506	5 965 736
Assets right of use	(17)	1 089 065	530 025
Intangible assets and goodwill	(18)	992 761	535 108
Payments under investment in fair value through profit or losses	(31)	72	72
Investment in associate	(35)	11 241 237	10 395 492
Investments in fair value through OCI	(36)	145 261	106 500
Long term notes receivables (Net)	(12)	7 668 671	5 382 482
Deferred tax assets	(10-B)	153 209	186 945
Investment property	(19)	90 905	90 905
Debtors and other debit balances	(14-A)	182 642	182 642
Subordinated Loan	(35)	-	50 000
Total non-current assets		29 082 329	23 425 907
<u>Current assets</u>			
Assets held for sale	(44)	874 708	855 000
Inventories (Net)	(11)	14 699 925	6 366 072
Accounts and notes receivables (Net)	(13)	7 272 577	4 042 327
Debtors and other debit balances (Net)	(14-B)	6 421 933	2 998 370
Due from related parties	(34)	110 384	347 598
Cash and cash equivalents	(15)	7 370 370	4 504 238
Total current assets		36 749 897	19 113 605
Total assets		65 832 226	42 539 512
<u>Equity</u>			
Issued and paid in capital	(20)	1 085 500	1 085 500
Reserve for financial Solvency	(43)	70 534	7 612
General risk reserve	(42)	1 359	-
Legal reserve	(22)	710 057	562 734
Other reserves	(23)	7 510 718	4 568 492
Private risk reserve - Non banking financial service	(41)	20 393	20 393
Retained Earning		12 845 459	11 657 492
Net Profit for the period / year		1 794 199	1 890 727
Equity attributable to parent Company		24 038 219	19 792 950
Non-controlling interests	(24)	1 881 710	1 362 958
Total equity		25 919 929	21 155 908
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Loans	(26)	6 252 284	4 563 174
Long term Bonds	(39)	140 000	200 000
Long term notes payables and creditors		412 054	288 593
Right of use Liability		566 667	371 314
Warranty provisions	(28)	7 070	7 070
Deferred tax liabilities	(10-B)	361 729	333 053
Total non-current liabilities		7 739 804	5 763 204
<u>Current liabilities</u>			
Provisions	(28)	547 161	411 424
Current tax liabilities	(10-A)	508 755	344 262
Loans, borrowings and overdrafts	(26)	14 405 342	7 674 496
Due to related parties	(34)	2 069	68
Bonds	(39)	80 000	80 000
Trade payables and other credit balances	(27)	16 629 166	7 110 150
Total current liabilities		32 172 493	15 620 400
Total liabilities		39 912 297	21 383 604
Total equity and liabilities		65 832 226	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 September 2024

(All amounts in thousand Egyptian Pound)	Note No.	The nine Months ended September,30		The three Months ended September,30	
		2024	2023	2024	2023
Operating revenue	(5)	35 403 712	19 522 415	16 222 661	8 771 033
Operating cost	(5)	(28 187 605)	(15 193 496)	(13 385 480)	(6 828 534)
Gross profit		7 216 107	4 328 919	2 837 181	1 942 499
Other income	(6)	385 994	224 384	135 654	83 583
Selling and marketing expenses	(37)	(1 209 518)	(726 351)	(489 495)	(236 498)
General and administrative expenses	(37)	(2 228 998)	(1 475 802)	(742 247)	(556 018)
Provisions and Impairment of Current and Non-Current assets (Net)	(8)	(74 819)	(85 346)	(104 011)	(18 175)
Operating Profit		4 088 766	2 265 804	1 637 082	1 215 391
Finance costs (Net)	(7)	(2 020 795)	(1 227 136)	(722 559)	(529 626)
Gain from investment in associate	(35)	447 929	655 034	157 200	172 504
Net profit for the period before income tax		2 515 900	1 693 702	1 071 723	858 269
Income tax	(10-C)	(614 589)	(335 706)	(277 581)	(152 912)
Net profit for the period after income tax		1 901 311	1 357 996	794 142	705 357
Attributable to:					
Shareholder's of the parent company		1 794 199	1 270 710	746 014	662 458
Non-controlling interests		107 112	87 286	48 128	42 899
		1 901 311	1 357 996	794 142	705 357
Basic earning per share (EGP/Share)	(9)	1.653	1.171	0.687	0.610

* 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 September 2024

(All amounts in thousand Egyptian Pound)	The nine Months ended September 30,		The three Months ended September 30,	
	2024	2023	2024	2023
Net profit for the period after income tax	1 901 311	1 357 996	794 142	705 357
Other comprehensive income items				
Foreign currency translation difference	3 296 920	1 244 739	58 043	2 985
Modification of fixed assets cost	(7 106)	(9 317)	(2 175)	(2 613)
Total other comprehensive income for the period before income tax	3 289 814	1 235 422	55 868	372
Income tax related to other comprehensive income	2 943	884	489	(1 016)
Total other comprehensive income for the period after income tax	3 292 757	1 236 306	56 357	(644)
Total comprehensive income for the period	5 194 068	2 594 302	850 499	704 713
Comprehensive income is attributable to:				
Shareholder's of the parent company	4 736 425	2 357 499	796 822	652 325
Non-controlling interests	457 643	236 803	53 677	52 388
	5 194 068	2 594 302	850 499	704 713

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

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

30 September 2024

(All amounts in thousand Egyptian Pound)

	Shareholder's equity of the parent company													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	General risk reserve	special reserve - Non banking financial service	Retained Earning	Net profit for the period	Total	Non-Controlling Interests	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	1 794 199	1 794 199	107 112	1 901 311
Modification surplus of fixed assets cost after income tax	-	-	-	-	(4 163)	-	-	-	-	-	-	(4 163)	-	(4 163)
Other Comprehensive income items	-	-	2 946 389	-	-	-	-	-	-	-	-	2 946 389	350 531	3 296 920
Total comprehensive Income	-	-	2 946 389	-	(4 163)	-	-	-	-	-	1 794 199	4 736 425	457 643	5 194 068
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
special risk reserve - Non banking financial service	-	-	-	-	-	-	-	-	-	(62 922)	-	-	-	-
Reserve for financial solvency risk	-	-	-	-	-	-	62 922	-	-	-	-	-	-	-
Modification of fixed assets cost	-	-	-	-	-	-	-	-	-	7 106	-	7 106	-	7 106
General risk reserve	-	-	-	-	-	-	-	1 359	-	(1 359)	-	-	-	-
Dividends Distributions	-	-	-	-	-	-	-	-	-	(494 008)	-	(494 008)	(15 751)	(509 759)
Change in non-controlling interests without changing in control	-	-	-	-	-	-	-	-	-	(4 254)	-	(4 254)	-	-
Payment under capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to legal reserve	-	147 323	-	-	-	-	-	-	-	(147 323)	-	-	(17 773)	(17 773)
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transactions with owners of the company	-	147 323	-	-	-	-	62 922	1 359	-	(702 760)	-	(491 156)	90 379	90 379
Balance at September 30, 2024	1 085 500	710 057	6 464 169	88 882	53 626	904 041	70 534	1 359	20 393	12 845 459	1 794 199	24 038 219	1 881 710	25 919 929

* 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 September 2024

	Shareholder's equity of the parent company										Total	Non-Controlling Interests	Total equity
	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			
30 September 2023													
(All amounts in thousand Egyptian Pound)													
Balance at December 31, 2022	1 065 500	533 542	-	2 214 460	88 882	69 837	904 041	10 711	131	20 393	16 732 554	728 195	17 460 749
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Modification surplus of fixed assets after income tax (Net)	-	-	-	-	-	(8 433)	-	-	-	-	1 270 710	87 286	1 357 996
Other Comprehensive income items	-	-	-	1 041 915	-	-	-	-	-	-	(8 433)	-	(8 433)
Total comprehensive income	-	-	-	1 041 915	-	(8 433)	-	-	-	-	1 041 915	202 824	1 244 739
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	1 270 710	290 110	2 594 302
Reserve for financial solvency	-	-	-	-	-	-	-	(2 820)	-	-	-	-	-
Modification surplus of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
General risk reserve	-	-	-	-	-	-	-	-	(131)	-	9 317	-	9 317
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests without changing in control	-	(25 245)	-	-	-	-	-	(7 891)	-	-	(45 560)	-	(45 560)
Capital increase	-	-	-	21 420	-	-	-	-	-	-	228 681	630 304	859 185
Transferred to legal reserve	-	13 691	-	-	-	-	-	-	-	-	-	2 688	2 688
Payment under capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transactions with owners of the company	-	(11 554)	-	21 420	-	-	-	(10 711)	(131)	-	192 414	(2 688)	(2 688)
Balance at September 30, 2023	1 065 500	521 988	-	3 277 795	88 882	61 404	904 041	-	-	20 393	19 229 184	1 648 809	20 877 993

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

(All amounts in thousand Egyptian Pound)

	Note No.	30 September 2024	30 September 2023
Net profit for the period before tax		2 515 900	1 693 702
Adjustments for:			
Interest expense	(7)	2 003 337	978 763
Depreciation and amortization for the period	(16,17,18)	893 754	335 127
Provisions movements (net)	(28)	146 554	19 440
Impairment losses on current assets (net)		56 619	16 638
Interest income	(7)	(331 953)	(225 855)
Gain from sale of property, plant, equipment and assets held for sale	(6)	(108 640)	(36 757)
Gain from investment in associate		(447 929)	(655 034)
Unrealized Foreign currency exchange losses		850 693	293 832
		5 578 335	2 419 856
Changes in:			
Inventories (Net)		(6 843 568)	(1 372 043)
Accounts and notes receivables		(5 200 034)	(4 494 519)
Debtors and other debit balances		(2 520 623)	400 333
Due from related parties		199 286	(338 721)
Due to related parties		2 001	18 168
Payment rent for asset right of use		(60 796)	(85 553)
Proceeds from loans and borrowings		2 900 576	3 042 862
Trade payables and other credit balances**		8 008 245	3 654 480
Cash provided from operating activities		2 063 422	3 244 863
Provisions used		(23 523)	(41 093)
Income tax paid		(384 741)	(323 240)
Dividends distributions paid for employees and Board of Directors		(138 483)	(45 560)
Net cash provided from operating activities		1 516 675	2 834 970
Cash flows from investing activities			
Payment for acquisition of property, plant, equipment and projects under constructions		(3 130 186)	(1 332 511)
Payment to acquire non controlling interest		-	(7 000)
Proceeds from sale of shares from subsidiaries		-	1 032 134
Payment for acquisition of intangible assets		(200 154)	(7 997)
Interest income received		474 838	146 570
Paid for other investments and associates		(485 590)	-
Proceeds from sale of property, plant, equipment and assets held for sale		234 962	120 194
Net cash (used in) investing activities		(3 106 129)	(48 610)
Cash flows from financing activities			
Bonds		(60 000)	(221 538)
Dividends paid - Shareholders		(217 000)	-
Proceeds from loans and borrowings		5 519 380	(258 195)
Long-Term notes payable		123 461	(177 362)
Interest expense paid		(1 801 799)	(1 041 552)
Net cash Provided from / (used in) financing activities		3 564 042	(1 698 647)
Net Increase in cash and cash equivalents		1 974 588	1 087 713
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		892 465	500 778
Cash and cash equivalents at end of the period	(15)	7 373 960	5 686 675

* 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 September 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 September 30, 2024.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on November 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 September 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 September 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

	<u>September 30, 2024</u>	<u>%</u>	<u>September 30, 2023</u>	<u>%</u>
Passenger car	23 080 630	65.20%	11 651 805	59.68%
Buses and trucks	2 363 388	6.67%	1 112 789	5.70%
2 & 3 Wheels	1 446 745	4.09%	1 476 494	7.56%
Financial non-Banking Services	4 597 909	12.99%	2 987 535	15.30%
Other Operations	3 915 040	11.05%	2 293 792	11.76%
	35 403 712	100%	19 522 415	100%

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

	<u>September 30, 2024</u>	<u>%</u>	<u>September 30, 2023</u>	<u>%</u>
Passenger car	6 984 917	30.26%	4 011 716	34.43%
2 & 3 Wheels	633 833	43.81%	926 352	62.74%

B- Sectors results

	<u>September 30, 2024</u>	<u>%</u>	<u>September 30, 2023</u>	<u>%</u>
Passenger car	4 315 267	59.81%	2 603 412	60.14%
Buses and trucks	706 847	9.79%	223 534	5.16%
2 & 3 Wheels	348 419	4.83%	266 899	6.17%
Financial non-Banking Services	959 992	13.30%	613 212	14.17%
Other Operations	885 582	12.27%	621 862	14.36%
	7 216 107	100%	4 328 919	100%

C-Assets

	<u>September 30, 2024</u>	<u>%</u>	<u>December 31,2023</u> <u>Restated</u>	<u>%</u>
Passenger car	17 294 126	26.27%	5 838 671	13.73%
Buses and trucks	14 344 842	21.79%	7 921 770	18.62%
2 & 3 Wheels	3 238 946	4.92%	3 627 779	8.53%
Financial non-Banking Services	18 413 274	27.97%	15 094 948	35.48%
Other Operations	12 541 038	19.05%	10 056 344	23.64%
	65 832 226	100%	42 539 512	100%

D- Liabilities

	<u>September 30, 2024</u>	<u>%</u>	<u>December 31,2023</u> <u>Restated</u>	<u>%</u>
Passenger car	14 033 164	35.16%	6 163 794	28.82%
Buses and trucks	11 722 242	29.37%	5 324 517	24.90%
2 & 3 Wheels	359 211	0.90%	406 288	1.90%
Financial non-Banking Services	11 187 417	28.03%	7 313 334	34.20%
Other Operations	2 610 263	6.54%	2 175 671	10.17%
	39 912 297	100%	21 383 604	100%

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended September 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

	September 30, 2024	September 30, 2023
Revenues		
Total revenues of operating segments	38 859 547	21 078 897
Elimination of revenue between group inter-segment	(3 455 835)	(1 556 482)
Consolidated Revenue	35 403 712	19 522 415
Segments result		
Gross profit of operating segment	7 367 853	4 364 365
Elimination of gross profit between group inter-segment	(151 746)	(35 446)
Consolidated Gross Profit	7 216 107	4 328 919
Assets		
Total assets of operating segments	104 984 487	76 730 617
Elimination of assets between group inter-segment	(39 152 261)	(32 531 660)
Total Consolidated Assets	65 832 226	44 198 957
Liabilities		
Total Liabilities of operating segments	62 024 468	40 054 851
Elimination of Liabilities between group inter-segment	(22 112 171)	(16 733 887)
Total Consolidated Liabilities	39 912 297	23 320 964

F-Other profit or loss amounts

	Total reportable segment	Elimination between group	Total consolidated September 30, 2024
Finance income	331 953	-	331 953
Interest expense and Bank Charges	(2 371 315)	367 978	(2 003 337)
Depreciation and Amortization	893 754	-	893 754
	Total reportable segment	Elimination between group	Total consolidated September 30, 2023
Finance Income	225 855	-	225 855
Interest expense and Bank Charges	(1 005 803)	27 040	(978 763)
Depreciation and Amortization	335 127	-	335 127

GB Corp (S.A.E)

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

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5- Operating expenses (continued)

II- Operational results

	Franchising fees		Leads and bonus		Two and three Wholesalers		Financial New Banking Services		Other operations		Total	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Operating revenue	23 080 630	11 651 805	2 363 388	1 112 789	1 446 745	1 476 494	4 597 909	2 987 535	3 915 040	2 293 792	35 403 712	19 522 415
Operating cost	(18 765 363)	(9 048 393)	(1 656 541)	(889 255)	(1 098 336)	(1 209 595)	(3 637 917)	(2 374 323)	(3 029 458)	(1 671 930)	(28 187 605)	(15 193 496)
Gross profit	4 315 267	2 603 412	706 847	223 534	348 419	266 899	959 992	613 212	885 582	621 862	7 216 107	4 328 919
Selling and Marketing expenses											(1 209 518)	(726 351)
General and administrative expenses											(2 238 998)	(1 478 802)
Provisions and Impairment of Current and Non-Current assets (Net)											(74 819)	(85 346)
Other income											385 594	224 384
Operating profit											4 088 766	2 265 804
Gain from investment in associate											447 929	655 034
Finance cost (Net)											(2 020 795)	(1 227 136)
Net profit for the period before income tax											2 515 900	1 693 702
Income tax expense											(614 589)	(335 706)
Net profit for the period after income tax											1 901 311	1 357 996
Attributable to:												
Shareholders of the parent Company											1 794 199	1 270 710
Non-controlling interests											107 112	87 286
											1 901 311	1 357 996

6- Other Income

	September 30, 2024	September 30, 2023
Gain on sale of fixed asset	108 640	36 757
Gain from Scrap Sales	79 240	45 178
Other revenues	57 177	56 040
Incentive revenue	140 937	86 409
Total	385 994	224 384

GB Corp. (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended September 30, 2024
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7-Finance Costs (Net)

	September 30, 2024	September 30, 2023
Interest income	310 737	213 902
Interest income on installment sales	21 216	11 953
Total Finance Income	331 953	225 855
Interest expense and bank charges	(2 003 337)	(976 763)
Foreign exchange loss	(349 411)	(474 228)
Total Finance Cost	(2 352 746)	(1 452 991)
Net Finance Cost	(2 020 795)	(1 227 136)

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 30/09/2024
Expected credit loss of Accounts & Notes receivable	330 578	72 757	(61 042)	15 497	357 788
Expected credit loss of due from related parties	87 232	26 675	-	11 253	125 160
Expected credit loss of Debtors & Other debit balances	92 582	23 812	(2 528)	16 881	130 747
Expected Credit Loss of Cash and cash equivalent	2 569	2 641	(1 720)	-	3 590
Warranty provision	37 085	26 775	(10 030)	-	53 810
Other Provision	386 724	90 588	(93 109)	-	386 203
	938 848	243 248	(166 429)	43 631	1 057 298
* Impairment of Inventory	75 730	10 882	(14 838)	240	71 994
	1 014 578	254 110	(183 267)	43 871	1 129 292

*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 September 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.

	September 30, 2024	September 30,2023
Net profit for the period (parent company share)	1 794 199	1 270 710
Divided by:		
Weighted average number of ordinary shares issued	1 085 500	1 085 500
Basic profit earnings per share/ EGP	1.653	1.171

10-Income tax

A-Income tax liabilities

	September 30, 2024	December 31,2023 Restated
Balance at 1 January	344 262	324 089
Taxes paid during the period	(384 741)	(328 651)
Current income tax during the period (Note 10-C)	549 234	348 824
Balance at the end of the period	508 755	344 262

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

10-Income tax (Continued)		Total								
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	30-Sep-24	31-Dec-23
<u>Deferred tax assets</u>										
Balance at 1 January		11	130 827	9 143	29 311	-	17 653	-	186 945	257 769
Charged to the profit or loss statement		-	(36 830)	(1 073)	19 489	-	(15 322)	-	(33 736)	(70 824)
Balance at the end of the period		11	93 997	8 070	48 800	-	2 331	-	153 209	186 945
<u>Deferred tax liabilities</u>										
Balance at 1 January		(325 530)	-	-	-	(5 057)	-	(2 466)	(333 053)	(331 615)
Charged to the profit or loss statement		(34 982)	-	-	-	-	-	3 363	(31 619)	(2 758)
Charged to Statement of comprehensive income		-	-	-	-	2 943	-	-	2 943	1 320
Balance at the end of the period		(360 512)	-	-	-	(2 114)	-	897	(361 729)	(333 053)
Net Balance at the end of the period		(360 501)	93 997	8 070	48 800	(2 114)	2 331	897	(208 520)	(146 108)
<u>Net</u>										
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)	(34 982)	(36 830)	(1 073)	19 489	-	(15 322)	3 363	(65 355)	(73 582)
Charged to Statement of comprehensive income		-	-	-	-	2 943	-	-	2 943	1 320
Balance at the end of the period		(360 501)	93 997	8 070	48 800	(2 114)	2 331	897	(208 520)	(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 September 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

	September 30, 2024	December 31, 2023
Expected credit loss for accounts and notes receivables	81 213	74 380
Expected credit loss for other debit balances	29 418	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

	September 30, 2024	September 30, 2023
Current income tax (Note 10-A)	(549 234)	(347 795)
Deferred tax – (Note 10-B)	(65 355)	12 089
Income tax for the period	(614 589)	(335 706)

D-Amounts recognized in OCI

	September 30, 2024			September 30, 2023		
	<u>Before Tax</u>	<u>Taxes</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>Taxes</u>	<u>After Tax</u>
Foreign Currency translation difference	3 296 920	-	3 296 920	1 244 739	-	1 244 739
revaluation surplus of fixed assets cost	(7 106)	2 943	(4 163)	(9 317)	884	(8 433)
	<u>3 289 814</u>	<u>2 943</u>	<u>3 292 757</u>	<u>1 235 422</u>	<u>884</u>	<u>1 236 306</u>

11-Inventories

	September 30, 2024	December 31, 2023
Goods in transit	3 564 450	1 306 965
Cars, buses and trucks	6 678 077	2 576 045
Raw material and car components	1 819 209	1 063 733
Spare parts for sale	1 725 167	958 374
Work In progress	984 616	391 112
Tires	280	144 300
Oils	120	1 273
Total	<u>14 771 919</u>	<u>6 441 802</u>
* Impairment of inventory	(71 994)	(75 730)
Net	<u>14 699 925</u>	<u>6 366 072</u>

* 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 September 30, 2024

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

12-Long term notes receivables		
	September 30, 2024	December 31, 2023
Long-term notes receivable	8 945 583	6 596 222
Interest income on installment sales	(1 161 367)	(1 098 666)
Net present value for long-term notes receivable	7 784 216	5 497 556
Expected credit loss for long-term notes receivable	(115 545)	(115 074)
Net	7 668 671	5 382 482

13-Accounts and notes receivables		
	September 30, 2024	December 31, 2023
Total notes receivable	5 539 431	3 805 621
Unamortized interest	(1 161 367)	(1 098 666)
Net present value for short-term notes receivable	4 378 064	2 706 955
Trade receivable	3 138 915	1 550 874
Total	7 517 979	4 257 829
Expected credit loss for accounts and notes receivable balances	(245 402)	(215 502)
Net	7 272 577	4 042 327

The following table represents the Expected credit loss for accounts and notes receivables according to the expected losses model on September 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	11 022 070	293 174	336 504	11 651 748
Deduct: Expected credit loss for accounts and notes receivable balances	(37 448)	(21 490)	(168 766)	(227 704)
Net	10 984 622	271 684	167 738	11 424 044

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	583 380	2.80%	(16 329)	567 051
Trade receivables	2 696 588	2%	(63 322)	2 633 266
From 1 to 30	186 669	2.1%	(3 888)	182 781
From 31 to 60	83 558	5%	(4 168)	79 390
From 61 to 90	15 704	22%	(3 422)	12 282
From 91 to 120	8 770	19%	(1 649)	7 121
More than 120	75 778	53%	(40 465)	35 313
Total	3 650 447		(133 243)	3 517 204

* 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 September 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

	September 30, 2024	December 31, 2023
Excess in securitization operations	182 642	182 642
	182 642	182 642

B-Debtors and other debit balances

	September 30, 2024	December 31, 2023
Advance payments to suppliers	2 257 751	971 926
Withholding tax	646 197	487 668
Value added tax	130 878	50 696
Accrued interest	3 394	146 279
Accrued revenue	661 624	152 399
Letters of credit	1 604 451	442 262
Prepaid expenses	383 761	196 206
Security deposits with others	27 120	16 217
Letters of guarantee	245 705	208 238
Staff loans and custodies	65 254	90 936
Other debit balances	491 430	326 256
Customs duties	35 115	1 869
Total	6 552 680	3 090 952
Expected credit loss for debtor and other debit balances	(130 747)	(92 582)
Net	6 421 933	2 998 370

15-Cash and cash equivalents

	September 30, 2024	December 31, 2023
Time deposits	2 921 799	931 063
Cash on hand and in banks	4 232 125	3 401 510
Checks under collections	220 036	54 103
Treasury bills	-	120 231
Cash and Cash equivalents According to cash flow	7 373 960	4 506 907
Expected credit loss for Cash and cash equivalent	(3 590)	(2 669)
Net	7 370 370	4 504 238

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

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	169 404	49 840	351 150	26 861	206 152	12 129	907 310	1 722 846
Transferred from projects under construction to PP&E and intangible assets	1 073	178 296 -	-	175 -	62 381	13 349 -	(283 962)	(28 688)
Disposals during the period	(54 907)	(5 335)	(83 023)	-2400 -	(38 818)	-	(8 541)	(193 024)
Effect of movements of translation of foreign entities	326 245	51 139	36 269	16 087	146 600	15 143	-	591 483
Balance at 30 September 2024	3 960 594	1 456 379	1 257 683	260 736	1 635 717	177 931	2 279 446	11 028 486
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	35 361	76 901	89 230	14 463	82 298	6 953	-	305 205
Disposals during the period	(1 464)	(3 308)	(52 282)	(2 105)	(22 974)	-	-	(82 133)
Effect of accumulated depreciation modification using modification factor	-	-	(247)	-	(382)	-	-	(630)
Effect of movements of exchange rates	154 013	39 541	818	14 401	89 946	18 686	-	317 404
Accumulated depreciation at 30 September 2024	1 057 402	907 454	363 182	241 298	844 987	82 380	13 278	3 509 979
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 September 2024	2 903 192	548 925	894 500	19 438	790 730	95 551	2 266 168	7 518 506

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

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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	645 871	645 871
Disposals during the period	(15 432)	(15 432)
Effect of exchange rates	169 986	169 986
Balance at September 30, 2024	<u>1 695 847</u>	<u>1 695 847</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	188 522	188 522
Disposals during the period	(12 169)	(12 169)
Effect of exchange rates	65 032	65 032
Accumulated depreciation at September 30, 2024	<u>606 782</u>	<u>606 782</u>
Net Book value at September 30, 2024	<u>1 089 065</u>	<u>1 089 065</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.

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(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	187 259	12 895	-	-	200 155
Transfer from PUC	-	28 687	-	-	28 687
Changes impact in the translation of foreign entities	246 773	-	-	-	246 773
Balance at September 30, 2024	871 447	119 761	5 703	177 375	1 174 287
Accumulated amortization					
Balance at 1 January	-	63 261	5 703	94 600	163 564
Amortization during the period	-	13 528	-	4 434	17 962
Balance at September 30, 2024	-	76 789	5 703	99 034	181 526
Net Book value at September 30, 2024	871 447	42 972	-	78 341	992 761
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 Alsaarat (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 USD 14 million equivalent to EGP 679 million . During 30 september 2021 increased its stake in Almajmoa Alalamia Litijaret Alsaarat (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 64.16% 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 USD 3.9 million equivalent to 188 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:

	September 30, 2024	December 31, 2023
Iraq PC- Sales	679 348	248 910
Financial leasing activity	1 000	1 000
After Sale service- PC	2 870	2 870
Jordan PC- Sales	188 229	-
	871 447	252 780

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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 wheelers Sector, at an amount of 177 million Egyptian pounds on the date of acquisition.

19-Investments property

	<u>September 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 a real estate office .

20-Issued and paid in capital

	<u>September 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.

(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 Depsitory & 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 September 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, 2021 The 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 annotated in commercial register on 15 August 2022 .

22-Legal reserve

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Balance at 1 January	562 734	533 542
Transferred to legal reserve	147 323	54 437
Change of non controlling interest without change in control	-	(25 245)
Balance at the end of the period	<u>710 057</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

	ESOP				Total
	Foreign currency translation reserve	(Fair value) reserve	Surplus Revaluation of fixed assets reserve	Share premium (special reserves)*	
Balance as at January 1, 2024 Restated	3 517 780	88 882	57 789	904 041	4 568 492
Foreign currency differences	2 946 389	-	-	-	2 946 389
Modification effect of fixed assets cost	-	-	(4 163)	-	(4 163)
Balance at September 30, 2024	6 464 169	88 882	53 626	904 041	7 510 718

*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.

	September 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

	Total							September 30, 2024	December 31, 2023
	Capital	Payment Under capital increase	Reserves	Legal reserve	Financial Solvency Reserve	General risk reserve	Retained earnings		
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	-	-	-	-	-	-	107 112	107 112	(79 199)
Foreign currency translation results	-	-	350 531	-	-	-	-	350 531	207 253
Capital increase	90 379	(17 773)	-	-	-	-	-	72 606	18 223
Change in Non-controlling interests without changing in control	4 254	-	-	-	-	-	-	4 254	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	596 766	450	1 079 487	92 035	8 569	-	104 403	1 881 710	1 362 958

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI (Alma) Alalamia Litijaret Alasairat (GK) 18.87%, Ghabbour AL Qalam (GQ) 32% & GB Company for financial lease and factoring "S.A.E" 45% Automblak "S.A.E" 15% & Transport Vachile distribution "S.A.E" 8% , before any intra-group eliminations:

	September 30, 2024	December 31, 2023
Non-current assets	5 733 356	3 754 685
Current assets	16 939 743	8 062 893
Non-current liabilities	(3 566 157)	(2 999 999)
Current liabilities	(12 106 413)	(4 124 322)
Net assets attributable to NCI	1 773 096	1 294 056
Revenue	9 644 017	8 512 243
Net Profit for the period / year	465 904	692 634
Net profit period / year attributable to NCI	131 528	193 004

GB Corp (S.A.E)

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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 September 30, 2024 and December 31, 2023 as follows:

Total loans and notes payables

	September 30, 2024	December 31, 2023 Restated
Loans, borrowings and overdrafts	20 657 626	12 237 670
Short-term notes payable - suppliers	529 179	387 663
Total loans and notes payables	21 186 805	12 625 333
Less:		
Cash and cash equivalent	(7 370 370)	(4 504 238)
Net debt	13 816 435	8 121 095
Shareholders' equity	24 038 219	19 792 950
Net debt to equity ratio	0.57	0.41

26-Loans, borrowings and overdrafts

	September 30, 2024			December 31, 2023		
	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Banks overdraft	9 103 792	-	9 103 792	5 788 806	-	5 788 806
Loans	5 301 550	6 252 284	11 553 834	1 885 690	4 563 174	6 448 864
Total	14 405 342	6 252 284	20 657 626	7 674 496	4 563 174	12 237 670

A.Banks overdraft

	September 30, 2024	December 31, 2023
Less than one year	9 103 792	5 788 806
	9 103 792	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

	September 30, 2024	December 31, 2023
Less than one year	5 301 550	1 885 690
More than one year and less than five years	6 252 284	4 563 174
	11 553 834	6 448 864

GB Corp. (S.A.E)
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27-Trade payables and other credit balances

	September 30, 2024	December 31, 2023
Trade payables	10 598 376	3 249 478
Other credit balances	634 815	358 992
Advances from customers	916 356	821 168
Tax Authority	62 853	13 912
Value added tax	102 209	145 907
Accrued expenses	2 294 961	1 307 251
Accrued interest expense	253 804	52 266
Retention from others	124 330	89 642
Notes payables	529 179	387 663
Lease liability	732 093	514 038
Dividends payable*	42 033	10 317
Deferred revenues	10 484	134 387
Due to clients for securitization	327 673	25 129
	16 629 166	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	108 916	235 455	418 495
Provisions formed during the period	-	26 775	180 622	207 397
Provisions utilized during the period	(381)	(10 030)	(13 112)	(23 523)
Provisions no longer required	-	(2 372)	(58 471)	(60 843)
Effect of movement of exchange rates	578	5 467	6 660	12 705
Balance at September 30, 2024	74 321	128 756	351 154	554 231
Balance at January 1, 2023	62 931	108 536	188 783	360 250
Provisions formed during the year	10 990	36 008	165 518	212 516
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	108 916	235 455	418 495

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 September 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 128 765 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 September 30, 2024 EGP 7 070 thousand (at December 31, 2023 EGP 7 070 thousand).

GB Corp (S.A.E)

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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 which belongs to the distributors. The value of the formed provisions on September 30, 2024 amounted to 271 210 thousand Egyptian pounds and the value of the no longer required provisions is 151 560 thousand

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 follow 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
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
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:

	September 30, 2024		December 31, 2023
	Assets	Liabilities	Net
US Dollars	2 199 531	(3 887 502)	(1 687 971)
Euros	112 903	(80 563)	32 340
Other currencies	30 155	(109 272)	(79 117)
			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 31 March 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

September 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 2 603,352 thousand as at September 30, 2024 (EGP 631 063 thousand as at December 31, 2023).

		September 30, 2024	December 31, 2023
Time deposits	USD	2 821 681	863 450
Time deposits	EGP	100 118	67 613
		2 921 799	931 063

GB Corp (S.A.E)

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

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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>September 30, 2024</u>	<u>December 31, 2023</u>
Notes and accounts receivables	17 624 929	11 952 717
Expected credit loss for accounts and notes receivable balances	360 947	330 576
The ratio of the expected credit loss to the total accounts and notes receivable	2.05%	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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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	September 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 Alsaifar (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 EIAC "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%

GB Corp (S.A.E)

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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 Automotive Trading company	77.15%	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 Invements.

31- Payment under Investment fair value through profit and losses

	<u>September 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 237 298 thousand at September 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>September 30, 2024</u>	<u>December 31, 2023</u>
USD	4 097 494	3 491 344
EGP	1 339 563	143 129
Japanese Yen	101 181	152 993
Euro	428 281	279 223
Crona Swidish	2 441	16 457

GB Corp (S.A.E)

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

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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>September 30, 2024</u>	<u>December 31, 2023</u>
El Bostan Holding	78 268	65 350
SIPAC – Algeria	37 051	23 243
Algematco – Algeria	77 371	48 536
MNT Investment B.V. Group	35 100	289 408
Auto Market Misr	-	3 345
El Qalam Shareholders' Current Account	7 754	4 948
Total	235 544	434 830
Expected credit loss for due from related parties	(125 160)	(87 232)
	110 384	347 598

<u>Due to related parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Wahdan Company	2 069	68
	2 069	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	
			September 30, 2024	December 31, 2023
Executive BOD Members	Board of Directors	Top Management Salaries	53 328	48 158
SIPAC – Algeria	Shareholder in one of the subsidiaries	Foreign Currency translation difference	(13 808)	(5 328)
El-Qalam Shareholder current account	Shareholder in one of the subsidiaries	Foreign Currency translation difference	2 806	4 948
Marco Polo Company	Former shareholder in one of the subsidiaries	Services	-	93 587
Algermatco – Algeria	Shareholder in one of the subsidiaries	Foreign Currency translation difference	28 835	7 488
Bostan Holding	Company owned by a shareholder of one of the subsidiaries	Foreign Currency translation difference	(12 918)	39 741
MNT Investment B.V. Group	Associate	Cash transfers	(254 308)	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	September 30, 2024
MNT Investment B.V. Group (Netherlands) **	44.01%	10 542 356	(230 341)	10 312 015	443 448	-	-	406 830	(96 492)	11 065 801
Beldia for Real estate Financing	33.33%	83 477	-	83 477	1 573	-	-	-	-	85 050
Kaf for life insurance *	37.50%	-	-	-	2 909	50 000	(2 523)	40 000	-	90 386
		10 625 833	(230 341)	10 391 692	447 930	50 000	(2 523)	446 830	(96 492)	11 241 237

*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%.
During the third quarter of 2024 MNT B.V (Netherlands), has acquired (TAM Finana), 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	September 30, 2024	December 31, 2023
Sky reality holding **	7.49%	142 261	103 500
Atlanta company for car service	29.6%	2 000	2 000
Scatr application	17.5%	500	500
Tawfiqia .com	10%	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%.

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

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

37- Income statement according to expense nature

	September 30, 2024	September 30, 2023
Operating Revenue	35 403 712	19 522 415
Operating Cost	(28 187 605)	(15 193 496)
Gross Profit	7 216 107	4 328 919
Other income	385 994	224 384
Provisions no longer required	94 062	83 584
Gain from investment in associate	447 929	655 034
Interest income	310 737	213 902
Installment sales interest	21 216	11 953
Bank Expense	(293 460)	(128 042)
Interest expense	(1 709 876)	(850 721)
Employees salaries & benefits	(2 057 382)	(1 267 821)
Selling & Marketing	(219 246)	(105 164)
Rents	(142 573)	(82 979)
Net (Losses) foreign exchange transaction	(349 411)	(474 228)
Provisions formed	(168 881)	(168 930)
Depreciation and Amortization	(247 140)	(172 861)
Consulting	(141 879)	(99 975)
Transportation	(44 111)	(29 685)
Vehicles expense	(57 784)	(47 499)
Governmental Fees & stamps	(75 528)	(57 933)
IT Expense	(89 471)	(46 786)
Other Expenses	(55 921)	(96 420)
Insurance	(31 708)	(21 602)
Security Expense	(27 750)	(20 559)
Training employees	(28 242)	(21 860)
Repair/Maintenance Expenses	(2 755)	(1 655)
Administration Supplies	(49 585)	(30 960)
Utilities	(27 215)	(16 514)
Donations & Public relation	(61 203)	(37 055)
Medical Fund	(77 193)	(41 130)
Freight	(1 831)	(3 695)
Net profit for the period before income tax	2 515 900	1 693 702

38- Securitized Operations

During the period the group (the non-banking financial services sector) signing into money transfer contracts issued to subsidiaries companies 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.

September 30, 2024		December 31, 2023	
Total Value	Present Value	Total Value	Present Value
16 390 948	9 101 016	15 167 927	9 927 232

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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.

	September 30, 2024				
	Total Value	Borrowing Cost	Converted from more than one	Paid	Net
Installments Due within a year	356 923 077	(1 907 072)	200 534 160	(475 550 165)	80 000 000
Installments Over a year	343 076 923	(2 542 763)	(200 534 160)	-	140 000 000
Total	700 000 000	(4 449 835)	-	(475 550 165)	220 000 000

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended September 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 at 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 September 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 September 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.	258 767
(2) Balance of net impairment of customers as recorded in the books and according to Egyptian accounting standards (expected credit losses).	(203 952)
The balance of reserve for financial solvency	54 815

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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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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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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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.

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 the Group. unrealized deferred tax assets are reassessed at each reporting date, and recognised to the

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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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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 are 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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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 debit 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.

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.

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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.

- **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 high effectiveness will be measured in the future.

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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.

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.

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- 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.

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.

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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.

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> <ul style="list-style-type: none"> - 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: - 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),</p>	The company will not use the revaluation model during the current period.	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.

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>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 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>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 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 on or after July 1, 2024 , 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. As a result, on May 19, 2024, Ghabbour Al-Qalam Company (a subsidiary) obtained the exclusive distribution of JAC and Foton brands in the Republic of Iraq.
- 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.

47- Subsequent Events

On October 23, 2024, the Egyptian Council of Ministers issued a decision to add Egyptian Accounting Standard No. (51) "Financial Statements in the Economics of Hyperinflation", provided that this standard is applied to the independent and consolidated financial statements of any company or group whose currency of entry is in hyperinflationary economies, and this standard also applies to any group that has a foreign operation (including a branch, subsidiary, sister company, joint venture or other) in hyperinflation economies and requires This criterion is mainly the adjustment of financial statements prepared in the currency of an economy with hyperinflation, and this standard is implemented by a decision of the Prime Minister or his delegate.