

GB Corp
(An Egyptian Joint Stock Company)

Consolidated Financial Statements
For The Financial Year Ended December 31, 2024
And Audit Report

 **Hazem Hassan**
Public Accountants & Consultants

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Hazem Hassan

Public Accountants & Consultants

Translation of Auditor's Report

originally issued in Arabic

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Auditor's Report

To the Shareholders of GB Corp (S.A.E.)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GB Corp (S.A.E.), which comprise the consolidated financial position as at December 31, 2024, and the consolidated Statement of Profit or Loss and comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these Consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Except for what will be discussed in the basis for the qualified opinion below, we conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



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Basis of qualified opinion

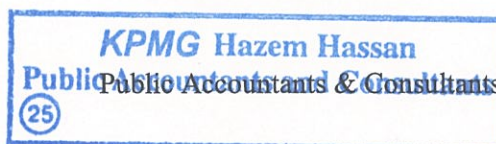
We were not provided with the consolidated audited financial statements for the financial year ended December 31, 2024 for one of the associate companies (MNT – BV - Consolidated) which is accounted for using the equity method, as the group owns approximately 44% of the shares of this company, in order to verify the accuracy of calculating the group's share of the profits resulting from this investment amounted to EGP 849,906,000 recorded by the company's management during the year

Qualified Opinion

Except for the impact of the potential adjustments, the necessity of which could have been determined if we were able to obtain the consolidated audited financial statements for the financial year ending December 31, 2024, for one of the associate companies (MNT – BV - Consolidated) in order to verify the accuracy of calculating the group's share of the profits resulting from this investment amounted to EGP 849,906,000 recorded by the company's management during the year, in our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of GB Corp (S.A.E.) as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

K. Samir

KPMG Hazem Hassan



Cairo February 27, 2025

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Statement of Financial Position
as at December 31, 2024

(All amounts in thousand Egyptian Pound)	Note No.	31 December 2024	31 December 2023 Restated
Assets			
Non-current assets			
Property, plant, equipment and projects under construction	(17)	8 193 201	5 965 736
Assets right of use	(18-A)	1 115 089	530 025
Intangible assets and goodwill	(19)	1 052 278	535 108
Investment in associate	(35)	11 598 273	10 395 492
Investments in fair value through OCI	(36-A)	145 261	106 500
Long term notes receivables	(13)	7 610 377	5 382 482
Deferred tax assets	(11-B)	111 767	186 945
Investment property	(20)	-	90 905
Debtors and other debit balances	(15-A)	285 887	182 642
Subordinated Loan	(35)	-	50 000
Total non-current assets		30 112 133	23 425 835
Current assets			
Assets held for sale	(44)	896 270	855 000
Inventories	(12)	21 134 299	6 366 072
Accounts and notes receivables	(14)	7 581 323	4 042 327
Investments in fair value through profit or losses	(36-B)	79 999	-
Debtors and other debit balances	(15-B)	5 446 827	2 998 442
Due from related parties	(34)	53 286	347 598
Cash and cash equivalents	(16)	7 420 866	4 504 238
Total current assets		42 612 870	19 113 677
Total assets		72 725 003	42 539 512
Equity			
Issued and paid in capital	(21)	1 085 500	1 085 500
Reserve for financial Solvency	(43)	122 655	7 612
General risk reserve	(42)	1 359	-
Legal reserve	(23)	710 245	562 734
Other reserves	(24)	7 890 066	4 568 492
Private risk reserve - Non banking financial service	(41)	20 393	20 393
Retained Earning		12 680 163	11 657 492
Net Profit for the year		2 928 121	1 890 727
Equity attributable to parent Company		25 438 502	19 792 950
Non-controlling interests	(25)	1 978 417	1 362 958
Total equity		27 416 919	21 155 908
Liabilities			
Non-current liabilities			
Loans	(27)	6 835 835	4 563 174
Long term Bonds	(39)	120 000	200 000
Long term notes payables and creditors		384 389	288 593
Right of use Liability	(18-B)	1 123 775	478 235
Warranty provisions	(29)	7 070	7 070
Deferred tax liabilities	(11-B)	401 974	333 053
Total non-current liabilities		8 873 043	5 870 125
Current liabilities			
Provisions	(29)	702 803	411 424
Current tax liabilities	(11-A)	744 120	344 262
Loans, borrowings and overdrafts	(27)	15 572 866	7 674 496
Due to related parties	(34)	2 058	68
Bonds	(39)	80 000	80 000
Operating Lease Liabilities	(18-B)	211 359	117 323
Trade payables and other credit balances	(28)	19 121 835	6 885 906
Total current liabilities		36 435 041	15 513 479
Total liabilities		45 308 084	21 383 604
Total equity and liabilities		72 725 003	42 539 512

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

Group Chief Financial Officer and
Executive Board Member
Abbas Elsayed



Executive Board Member
Nader Ghabbour



**Audit Report "attached"

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Statement of Profit or Loss
for the financial year ended 31 December 2024

(All amounts in thousand Egyptian Pound)	Note No.	31 December 2024	31 December 2023 Restated
Operating revenue	(5)	53 969 539	28 317 230
Operating cost	(5)	(43 454 917)	(21 432 690)
Gross profit	(5)	10 514 622	6 884 540
Other income	(6)	505 593	523 052
Selling and marketing expenses	(37)	(1 815 019)	(1 027 837)
General and administrative expenses	(37)	(3 028 632)	(2 402 802)
Other expenses	(8)	(240 108)	(337 001)
Expected credit losses	(9)	(115 616)	(2 659)
Operating Profit		5 820 840	3 637 293
Finance costs (Net)	(7)	(2 689 349)	(2 465 024)
Gain from investment in associate	(35)	867 641	1 066 090
(Loss) / Gain from sale & Revaluation of investment associate		-	(4 425)
Net profit for the year before income tax		3 999 132	2 233 934
Income tax	(11-C)	(939 239)	(422 406)
Net profit for the year after income tax		3 059 893	1 811 528
Attributable to:			
Shareholder's of the parent company		2 928 121	1 890 727
Non-controlling interests		131 772	(79 199)
		3 059 893	1 811 528
Basic earning per share (EGP/Share)	(10)	2.609	1.682

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2024

(All amounts in thousand Egyptian Pound)	Note No.	31 December 2024	31 December 2023
Net profit for the year after income tax		3 059 893	1 811 528
Other comprehensive income items			
Foreign currency translation difference		3 729 319	1 222 124
Modification of fixed assets cost	(45-I-1)	(9 379)	(13 368)
Total other comprehensive income for the year before income tax		3 719 940	1 208 756
Income tax related to other comprehensive income	(11-B)	3 455	1 320
Total other comprehensive income for the year after income tax		3 723 395	1 210 076
Total comprehensive income for the year		6 783 288	3 021 604
Comprehensive income is attributable to:			
Shareholder's of the parent company		6 249 696	2 946 857
Non-controlling interests		533 592	74 747
		6 783 288	3 021 604

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2024

31 December 2024

	Note No.	Shareholder's equity of the parent company													
		Share capital	Legal reserve	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve (45-1-1)	Share premium (Special reserve)	Reserve for financial solvency risk (41)	General risk reserve	special risk reserve - Non banking financial service	Retained Earning	Net profit for the year	Total	Non-Controlling Interests	Total equity
Balance at December 31, 2023	(40)	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)	-
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		-	-	-	-	-	-	-	-	-	-	2 928 121	2 928 121	131 772	3 059 893
Net profit for the year		-	-	-	-	-	-	-	-	-	-	2 928 121	(5 924)	-	(5 924)
Modification surplus of fixed assets cost after income tax		-	-	-	-	(5 924)	-	-	-	-	-	-	3 327 498	401 821	3 729 319
Other Comprehensive income items		-	-	3 327 498	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	3 327 498	-	(5 924)	-	-	-	-	-	2 928 121	6 249 695	533 593	6 783 288
Transactions with owners of the Company		-	-	-	-	-	-	-	-	-	(115 043)	-	-	-	-
Reserve for financial solvency risk		-	-	-	-	-	-	115 043	-	-	-	-	-	-	-
Modification of fixed assets cost		-	-	-	-	-	-	-	-	-	9 098	-	9 098	-	9 098
General risk reserve		-	-	-	-	-	-	-	1 359	-	(1 359)	-	-	-	-
Dividends Distributions		-	-	-	-	-	-	-	-	-	(588 232)	-	(588 232)	(15 751)	(603 983)
Change in non-controlling interests without changing in control		-	-	-	-	-	-	-	-	-	(25 009)	-	(25 009)	25 009	-
Transferred to legal reserve		-	-	-	-	-	-	-	-	-	(147 511)	-	-	-	-
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transactions with owners of the company		-	147 511	-	-	-	-	115 043	1 359	-	(868 056)	-	(604 143)	81 866	(522 277)
Balance at December 31, 2024		1 085 500	710 245	6 845 278	88 882	51 865	904 041	122 655	1 359	20 393	12 680 163	2 928 121	25 438 502	1 978 417	27 416 919

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Statement of Shareholders Equity
for the financial year ended 31 December 2024

31 December 2023

(All amounts in thousand Egyptian Pound)	Shareholder's equity of the parent company									
	Share capital	Legal reserve	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve (45-I-I)	Share premium (Special reserve)	Reserve for financial solvency	General risk reserve	Private risk reserve-Non banking financial service	Total
Balance at December 31, 2022	1 085 500	533 542	2 214 460	88 882	69 837	904 041	10 711	131	20 393	16 732 554
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	-	-	-
Modification surplus of fixed assets after income tax (Net)	-	-	-	-	(12 048)	-	-	-	-	(12 048)
Other Comprehensive income items	-	-	1 914 871	-	-	-	-	-	-	1 914 871
Total comprehensive income	-	-	1 914 871	-	(12 048)	-	-	-	-	1 892 823
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-
Reserve for financial solvency	-	-	-	-	-	-	4 792	-	-	4 792
Modification surplus of fixed assets .	-	-	-	-	-	-	-	(131)	-	(131)
General risk reserve	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests without changing in control	-	(25 245)	103 814	-	-	-	(7 891)	-	-	(23 326)
Capital increase	-	-	-	-	-	-	-	-	-	-
Transferred to legal reserve	-	54 437	-	-	-	-	-	-	-	54 437
Payment under capital increase	-	-	-	-	-	-	-	-	-	-
Total Transactions with owners of the company	-	29 192	103 814	-	-	-	(3 099)	(131)	-	127 776
Balance at December 31, 2023	1 085 500	562 734	3 333 145	88 882	57 789	904 041	7 612	-	20 393	19 838 656
Adjustments on the Ending balance	-	-	184 635	-	-	-	-	-	-	(184 635)
Balance at December 31, 2023 Restated	1 085 500	562 734	3 517 780	88 882	57 789	904 041	7 612	-	20 393	20 022 215

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

(All amounts in thousand Egyptian Pound)

	Note No.	31 December 2024	31 December 2023 Restated
Net profit for the year before tax		3 999 132	2 233 934
Adjustments for:			
Interest expense	(7)	2 882 401	1 296 592
Depreciation and amortization for the year	(17,18,19)	1 138 459	531 403
Provisions movements	(29)	237 937	97 712
Impairment losses on current assets		205 904	5 495
Interest income	(7)	(484 619)	(330 691)
Loss from sale & Revaluation of investment associate		-	4 425
Gain from sale of property, plant, equipment and assets held for sale	(6)	(132 247)	(37 741)
Impairment on fixed assets		-	375 486
Gain from investment in associate		(867 641)	(1 066 090)
Unrealized foreign currency exchange losses		616 304	77 699
		7 595 630	3 188 224
Changes in:			
Inventories		(13 586 959)	(2 204 041)
Accounts and notes receivables		(5 737 127)	(3 248 248)
Debtors and other debit balances		(1 585 831)	957 158
Due from related parties		(256 287)	(185 199)
Due to related parties		1 990	(101 671)
Payment rent for asset right of use		(85 962)	(67 687)
Proceeds from loans and borrowings		3 840 496	1 844 623
Trade payables and other credit balances		11 960 244	1 060 761
Cash provided from operating activities		2 146 192	1 243 920
Provisions used		(49 797)	(45 082)
Income tax paid		(391 828)	(328 651)
Dividends distributions paid for employees and Board of Directors		(138 483)	(45 560)
Net cash provided from operating activities		1 566 084	824 627
Cash flows from investing activities			
Payment for acquisition of property, plant, equipment and projects under constructions		(3 171 932)	(2 055 955)
Payment to acquire non controlling interest		-	(7 000)
Proceeds from sale of shares from subsidiaries		-	1 032 134
Payment for acquisition of intangible assets		(25 520)	(7 431)
Interest income received		592 112	184 412
Payment under investment		(79 999)	-
Payment for acquisition of investments in subsidiaries		(187 259)	-
Paid for other investments and associates		(516 591)	-
Proceeds from sale of property, plant, equipment and assets held for sale		313 109	254 341
Net cash (used in) investing activities		(3 076 080)	(599 499)
Cash flows from financing activities			
Bonds		(80 000)	(241 538)
Dividends paid - Shareholders		(217 000)	-
Proceeds from loans and borrowings		6 330 535	1 412 503
Long-Term notes payable		95 796	(91 724)
Interest expense paid		(2 711 478)	(1 348 858)
Net cash Provided from / (used in) financing activities		3 417 853	(269 617)
Net Increase in cash and cash equivalents		1 907 857	(44 489)
Cash and cash equivalents at the beginning of the year		4 506 907	4 098 184
Effect of movements in exchange rates on cash and cash equivalents		1 007 785	453 212
Cash and cash equivalents at end of the year	16	7 422 549	4 506 907

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial ended December 31, 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% and El Olayan Saudi Investment Company owns 7.04% and The Miri Strategic Emerging Markets Fund LP company owns 5.10% and other investors owns 24.48% of the Company's shares as at December 31, 2024.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on February 27, 2025.

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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial ended December 31, 2024

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

- Estimates and underlying assumptions are reviewed on an ongoing basis.
- 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 financial statements for the financial year ended December 31, 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

	December 31, 2024	%	December 31, 2023	%
Passenger car	37 523 349	69.53%	17 244 504	60.89%
Buses and trucks	3 984 793	7.38%	2 324 404	8.21%
2 & 3 Wheels	2 188 442	4.05%	1 921 730	6.79%
Financial non-Banking Services	6 904 571	12.79%	4 463 221	15.76%
Other Operations	3 368 384	6.24%	2 363 371	8.35%
	53 969 539	100%	28 317 230	100%

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

	December 31, 2024	%	December 31, 2023	%
Passenger car	10 867 511	28.96%	5 535 486	32.10%
2 & 3 Wheels	810 289	37.03%	1 067 521	55.55%

B- Sectors results

	December 31, 2024	%	December 31, 2023	%
Passenger car	6 569 648	62.48%	4 064 921	59.04%
Buses and trucks	1 075 861	10.23%	564 322	8.20%
2 & 3 Wheels	467 779	4.45%	385 026	5.59%
Financial non-Banking Services	1 457 257	13.86%	1 071 474	15.56%
Other Operations	944 077	8.98%	798 797	11.61%
	10 514 622	100%	6 884 540	100%

C-Assets

	December 31, 2024	%	December 31, 2023	%
Passenger car	21 192 066	29.14%	5 838 671	13.73%
Buses and trucks	16 974 016	23.34%	7 921 770	18.62%
2 & 3 Wheels	3 199 900	4.40%	3 627 779	8.53%
Financial non-Banking Services	18 159 433	24.97%	15 094 948	35.48%
Other Operations	13 199 588	18.15%	10 056 344	23.64%
	72 725 003	100%	42 539 512	100%

D- Liabilities

	December 31, 2024	%	December 31, 2023	%
Passenger car	16 582 759	36.60%	6 163 794	28.82%
Buses and trucks	14 040 975	30.99%	5 324 517	24.90%
2 & 3 Wheelers	335 280	0.74%	406 288	1.90%
Financial non-Banking Services	11 037 049	24.36%	7 313 334	34.20%
Other Operations	3 312 021	7.31%	2 175 671	10.18%
	45 308 084	100%	21 383 604	100%

GB Corp (S.A.E)
Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5-Operating Segments (Continued)

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Revenues		
Total revenues of operating segments	59 960 780	30 413 736
Elimination of revenue between group inter-segment	(5 991 241)	(2 096 506)
Consolidated Revenue	53 969 539	28 317 230
Segments result		
Gross profit of operating segment	10 733 027	6 946 685
Elimination of gross profit between group inter-segment	(218 405)	(62 145)
Consolidated Gross Profit	10 514 622	6 884 540
Assets		
Total assets of operating segments	112 204 386	76 802 482
Elimination of assets between group inter-segment	(39 479 384)	(34 217 264)
Total Consolidated Assets	72 725 002	42 585 218
Liabilities		
Total Liabilities of operating segments	68 098 091	38 572 508
Elimination of Liabilities between group inter-segment	(22 790 008)	(17 188 904)
Total Consolidated Liabilities	45 308 083	21 383 604

F-Other profit or loss amounts

	<u>Total reportable segment</u>	<u>Elimination between group</u>	<u>Total consolidated December 31, 2024</u>
Finance income	484 619	-	484 619
Interest expense and Bank Charges	(3 385 903)	503 502	(2 882 401)
Depreciation and Amortization	1 138 459	-	1 138 459
	Total reportable segment	Elimination between group	Total consolidated December 31, 2023
Finance income	330 691	-	330 691
Interest expense and Bank Charges	(1 592 464)	295 872	(1 296 592)
Depreciation and Amortization	531 403	-	531 403

CB Corp. (S.A.E)
Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

II- Operating results	Translation of consolidated financial statements Originally issued in Arabic									
	Passenger cars		Trucks and buses		Taxis and three wheelers		Financial New Banking Services		Other operations	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating revenue	37 223 349	17 244 504	3 984 793	2 324 404	2 188 442	1 921 730	6 904 371	4 463 221	3 368 384	2 363 371
Operating cost	(30 933 701)	(13 179 583)	(2 908 932)	(1 760 882)	(1 720 663)	(1 536 784)	(5 447 314)	(3 391 747)	(2 424 307)	(1 564 574)
Gross profit	6 569 648	4 064 921	1 075 861	564 322	467 779	385 026	1 457 257	1 071 474	944 076	798 797
Selling and Marketing expenses										
General and administrative expenses										
Other Expenses										
Expected Credit Losses										
Other income										
Operating profit										
Gain from investment in associate										
(loss) / gain from the sale and reacquisition of investments in associate										
Finance cost (Net)										
Net profit for the year before income tax										
Income tax expense										
Net profit for the year after income tax										
Attributable to:										
Shareholders of the parent Company										
Non-controlling interests										
6- Other Income										
Gain on sale of fixed asset										
Gain from Scrap Sales										
Other revenues										
Incollive revenue										
Total										

GB Corp. (S.A.E)
Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7- Finance Costs (Net)

	Note No.	December 31, 2024	December 31, 2023
Interest income		480 578	313 906
Interest income on installment sales		34 041	16 785
Total Finance Income		484 619	330 691
Interest expense	(27)	(2 882 401)	(1 206 592)
Foreign exchange loss		(281 567)	(1 499 123)
Total Finance Cost		(3 173 688)	(2 795 715)
Net Finance Cost		(2 689 349)	(2 465 024)

8- Other Expenses

	December 31, 2024	December 31, 2023 Restated
Provisions	(240 108)	(337 001)
	(240 108)	(337 001)

9- Expected Credit Losses on Profit and Losses

	December 31, 2024	December 31, 2023
Expected credit loss of Accounts & Notes receivable	28 471	(37 755)
Expected credit loss of due from related parties	79 435	22 809
Expected credit loss of Debtors & Other debit balances	8 696	15 237
Expected Credit Loss of Cash and cash equivalent	(996)	2 588
	115 616	2 659

GB Corp. (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

10-Earnings per share

A- EPS in consolidated net profit

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

The Board of Directors of The Company prepared a dividend proposal until it is approved by The General Assembly of The Company.

	December 31, 2024	December 31, 2023
Net profit for the year (parent company share)	2 928 121	1 890 727
Employees share of profit*	(76 549)	(48 158)
Board of directors bonus*	(19 016)	(17 183)
	<u>2 832 556</u>	<u>1 825 386</u>
Divided by:		
Weighted average number of ordinary shares issued	1 085 500	1 085 500
Basic profit earnings per share/ EGP	<u>2.609</u>	<u>1.682</u>

11-Income tax

A-Income tax liabilities

	December 31, 2024	December 31, 2023 Restated
Balance at 1 January	344 262	324 089
Taxes paid during the year	(391 828)	(328 651)
Current income tax during the year (Note 11-C)	791 686	348 824
Balance at the end of the year	<u>744 120</u>	<u>344 262</u>

GB Corp (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

11-Income tax (Continued)

B-Deferred tax Asset and Liability	Note No.	Fixed Assets	Carried forward losses	Inventory Impairment	Warranty Provision	Revaluation surplus of fixed assets*	Notes payable	Capital Gains	Total	
									31-Dec-24	31-Dec-23
Deferred tax assets										
Balance at 1 January		11	130 827	9 143	29 311	-	17 653	-	186 945	257 769
Charged to the profit or loss statement		-	(67 598)	(2 877)	11 032	-	(15 734)	-	(75 177)	(70 824)
Balance at the end of the year		11	63 229	6 266	40 343	-	1 919	-	111 768	186 945
Deferred tax liabilities										
Balance at 1 January		(325 530)	-	-	-	(5 057)	-	(2 466)	(333 053)	(331 615)
Charged to the profit or loss statement		(75 738)	-	-	-	-	-	3 362	(72 376)	(2 758)
Charged to Statement of comprehensive income		-	-	-	-	3 455	-	-	3 455	1 320
Balance at the end of the year		(401 268)	-	-	-	(1 602)	-	896	(401 974)	(333 053)
Net Balance at the end of the year		(401 257)	63 229	6 266	40 343	(1 602)	1 919	896	(290 206)	(146 108)
Net										
Balance at 1 January		(325 519)	130 827	9 143	29 311	(5 057)	17 653	(2 466)	(146 108)	(73 846)
Charged to the profit or loss statement	(11-C)	(75 738)	(67 598)	(2 877)	11 032	-	(15 734)	3 362	(147 553)	(73 582)
Charged to Statement of comprehensive income		-	-	-	-	3 455	-	-	3 455	1 320
Balance at the end of the year		(401 257)	63 229	6 266	40 343	(1 602)	1 919	896	(290 206)	(146 108)

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

GB Corp (S.A.E)
Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

11-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

	December 31, 2024	December 31, 2023
Expected credit loss for accounts and notes receivables	76 819	74 380
Expected credit loss for other debit balances	30 652	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-1 Income tax expense

	December 31, 2024	December 31, 2023
		Restated
Current income tax (Note 11-A)	(791 686)	(348 824)
Deferred tax – (Note 11-B)	(147 553)	(73 582)
Income tax for the year	(939 239)	(422 406)

C-2 Adjustment for preparing Income Tax Expense

	December 31, 2024	December 31, 2023
Net profit for the year before income tax	3 999 132	2 233 934
Income tax rate according to the law	22.5%	22.5%
Income tax calculated according to the tax law	899 805	502 635
Adjustments	39 435	(80 229)
Income tax as shown in the income statement	939 239	422 406
Effective tax rate	23.5%	18.9%

D-Amounts recognized in OCI

	December 31, 2024			December 31, 2023		
	Before Tax	Taxes	After Tax	Before Tax	Taxes	After Tax
Foreign Currency translation difference	3 729 319	-	3 729 319	1 222 124	-	1 222 124
revaluation surplus of fixed assets cost	(9 379)	3 455	(5 924)	(13 368)	1 320	(12 048)
	3 719 940	3 455	3 723 395	1 208 756	1 320	1 210 076

12-Inventories

	December 31, 2024	December 31, 2023
Goods in transit	5 757 717	1 306 965
Cars, buses and trucks	9 491 858	2 576 045
Raw material and car components	2 988 523	1 063 733
Spare parts for sale	1 827 043	958 374
Work in progress	1 224 280	391 112
Tires	202	144 300
Oils	79	1 273
Total	21 289 702	6 441 802
* Impairment of inventory	(155 403)	(75 730)
Net	21 134 299	6 366 072

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

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GB Corp. (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024

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

13-Long term notes receivables

	December 31, 2024	December 31, 2023
Long-term notes receivable *	10 349 197	6 596 222
Interest income on installment sales	(2 615 280)	(1 098 666)
Net present value for long-term notes receivable	7 733 917	5 497 556
Expected credit loss for long-term notes receivable	(123 540)	(115 074)
Net	7 610 377	5 382 482

* It represents the value of notes receivables related to operating lease activity and other financing activities with a repayment for more than one year.

14-Accounts and notes receivables

	December 31, 2024	December 31, 2023
Total notes receivable	7 044 670	3 805 621
Unamortized interest	(2 615 280)	(1 098 666)
Net present value for short-term notes receivable	4 429 390	2 706 955
Trade receivable	3 369 809	1 550 874
Total	7 799 199	4 257 829
Expected credit loss for accounts and notes receivable balances	(217 876)	(215 502)
Net	7 581 323	4 042 327

The following table represents the Expected credit loss for accounts and notes receivables according to the expected losses model on December 31, 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	11 189 875	209 084	284 384	11 683 343
Deduct:				
Expected credit loss for accounts and notes receivable balances	(39 193)	(19 187)	(143 654)	(202 034)
Net	11 150 682	189 897	140 730	11 481 309

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	559 325	3.39%	(18 979)	540 346
Trade receivables	2 856 152	2%	(64 582)	2 791 570
From 1 to 30	260 295	2.5%	(6 510)	253 785
From 31 to 60	81 484	6%	(5 159)	76 325
From 61 to 90	22 187	19%	(4 170)	18 017
From 91 to 120	4 938	32%	(1 577)	3 361
More than 120	65 392	59%	(38 405)	26 987
Total	3 849 773		(139 382)	3 710 391

* 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 financial statements for the financial year ended December 31, 2024

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

15-Debtors and other debit balances

A-Long term debtors and other debit balance

	December 31, 2024	December 31, 2023
Excess in securitization operations *	285 887	182 642
	<u>285 887</u>	<u>182 642</u>

* This amount represents the Net Present Value of Reserve related to the securitization transactions to be collected back at the end of the securitization process based on the special condition included in each Information Memo and the financial model.

B-Debtors and other debit balances

	December 31, 2024	December 31, 2023
Advance payments to suppliers	1 616 468	971 926
Withholding tax	780 197	487 668
Value added tax	413 647	50 696
Accrued interest	38 786	146 279
Accrued revenue	462 425	152 399
Letters of credit	1 118 470	442 262
Prepaid expenses	416 374	196 206
Security deposits with others	31 416	16 217
Letters of guarantee	237 521	208 238
Staff loans and custodies	47 480	90 936
Other debit balances	413 087	326 328
Customs duties	7 185	1 869
Total	<u>5 583 056</u>	<u>3 091 024</u>
Expected credit loss for debtor and other debit balances	(136 229)	(92 582)
Net	<u>5 446 827</u>	<u>2 998 442</u>

16-Cash and cash equivalents

	December 31, 2024	December 31, 2023
Time deposits	3 468 453	931 063
Cash on hand and in banks	3 660 802	3 401 510
Checks under collections	211 294	54 103
Treasury bills	82 000	120 231
Cash and Cash equivalents According to cash flow	<u>7 422 549</u>	<u>4 506 907</u>
Expected credit loss for Cash and cash equivalent	(1 683)	(2 669)
Net	<u>7 420 866</u>	<u>4 504 238</u>

GB Corp (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024
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17 - 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	766 348	7 153 281
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	1 651 361	8 922 591
Cost at 1 January 2024	3 518 779	1 182 439	953 287	220 013	1 259 402	137 310	1 651 361	8 922 591
Additions during the year	147 305	99 496	569 717	62 304	138 218	12 243	1 348 429	2 377 712
Transferred from projects under construction to PP&E and intangible assets	1 282	178 471	-	268	71 572	13 350	(305 337)	(40 394)
Disposals during the year	(54 907)	(10 164)	(259 939)	(2 986)	(39 884)	(2 625)	(490)	(370 995)
Effect of movements of translation of foreign entities	417 839	75 213	45 792	18 601	180 464	16 384	-	754 293
Balance at 31 December 2024	4 030 298	1 525 455	1 308 857	298 200	1 609 772	176 662	2 693 962	11 643 207
Accumulated depreciation and impairment losses								
Accumulated depreciation at 1 January 2023	428 173	692 021	284 168	185 990	577 901	39 854	-	2 208 107
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	-	2 956 855
Accumulated depreciation at 1 January 2024	869 492	794 320	325 664	214 539	696 099	56 741	-	2 956 855
Depreciation during the year	46 783	111 108	128 916	21 157	112 081	9 439	-	429 484
Disposals during the year	(1 464)	(6 169)	(195 831)	(2 530)	(25 391)	-	-	(231 385)
Effect of accumulated depreciation modification using modification factor	-	(118)	(4 421)	-	(627)	-	-	(5 166)
Effect of movements of exchange rates	118 530	44 789	450	15 893	102 406	18 150	-	300 218
Accumulated depreciation at 31 December 2024	1 033 341	943 930	254 778	249 060	884 569	84 330	-	3 450 006
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 31 December 2024	2 996 957	581 525	1 054 079	49 140	725 203	92 332	2 693 962	8 193 201

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

** The balance represents the impairment value of fixed assets in two companies GBR Auto and GBR Service in Algeria (Note 46).

GB Corp (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024
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18- Assets and Liabilities Right Of Use

A- Right Of Use Asset

	<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	895 422	895 422
Balance at January 1, 2024	895 422	895 422
Addition during the year	794 220	794 220
Disposals during the year	(26 559)	(26 559)
Effect of exchange rates	185 790	185 790
Balance at December 31, 2024	1 848 873	1 848 873

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	365 397	365 397
Accumulated depreciation at January 1, 2024	365 397	365 397
Depreciation during the year	305 438	305 438
Disposals during the year	(14 693)	(14 693)
Effect of exchange rates	77 642	77 642
Accumulated depreciation at December 31, 2024	733 784	733 784
Net Book value at December 31, 2024	1 115 089	1 115 089
Net Book value at December 31, 2023	530 025	530 025

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

B- Operating Lease Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total un-settled lease contracts liabilities	2 298 283	1 130 737
Interests on lease contracts	(963 149)	(535 179)
Net present value of total liabilities on right of use	1 335 134	595 558
Divided into:		
Current portion of lease contracts liabilities	211 359	117 323
Non-current portion of lease contracts liabilities	1 123 775	478 235

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Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

19- Intangible assets and goodwill

	Goodwill	Computer software	Right to use trademark*	Total
Cost				
Balance at 1 January	252 780	78 179	177 375	508 334
Adjustments on beginning balance	184 635	-	-	184 635
Balance at 1 January Restated - Translation Differences	437 415	78 179	177 375	692 969
Additions during the year	187 259	25 520	-	212 779
Transfer from PUC	-	40 395	-	40 395
Changes impact in the translation of foreign entities	290 052	-	-	290 052
Balance at December 31, 2024	914 726	144 094	177 375	1 236 195
Accumulated amortization				
Balance at 1 January	-	63 261	94 600	157 861
Amortization during the year	-	20 144	5 912	26 056
Balance at December 31, 2024	-	83 405	100 512	183 917
Net Book value at December 31, 2024	914 726	60 690	76 863	1 052 278
Net Book value at December 31, 2023	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 Alsaiarat (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 713 million . During 30 September 2021 increased its stake in Almajmoa Alalamia Litijaret Alsaiarat (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 197.6 million Egyptian pounds and that is based on preliminary study in light of the current information available to date.

Business Combination

The fair values of the identifiable assets and liabilities of Superior International at the date of acquisition were:	Fair value recognized on acquisition in
Non-current assets	
Property and equipment	47 629
Current assets	
Inventories	1 307 345
Trade and other receivables	17 950
Cash and cash equivalents	579 000
Current liabilities	
Trade and other payables	(842 490)
Other financial liabilities	(717 693)
Total identifiable net assets at fair value	391 741
Purchase consideration	579 000
Goodwill resulting from the acquisition	187 259

Goodwill is allocated as presented below:

	December 31, 2024	December 31, 2023
Iraq Passenger cars- Sales	713 235	248 910
Financial leasing activity	1 000	1 000
After Sale service- Passenger cars	2 870	2 870
Jordan Passenger cars- Sales	197 621	-
	914 726	252 780

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19-Intangible assets and goodwill (Continued)

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

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

***Right to use trademark**

On June 28, 2007, GB Corp (GB Auto Previously) fully acquired the shares of Cairo Company for Personal Transportation Industries (Citi) by purchasing 49.03%, which was owned by the minority, at a value of 210 million Egyptian pounds, in return for obtaining shares from the issuance of shares to increase the capital of the company. GB Corp (GB Auto Previously). Based on this acquisition, the company obtained the right to use the trademark of one of the company's main suppliers related to the activity of the 2&3 wheeled Sector, at an amount of 177 million Egyptian pounds on the date of acquisition.

20-Investments property

	December 31, 2024	December 31, 2023
Balance at 1 January	-	90 905
Balance at the end of the year	-	90 905

During the fourth quarter of 2024, Investments property amounted EGP 90 905 thousand and were transferred to fixed assets under the land and buildings category.

21-Issued and paid in capital

	December 31, 2024	December 31, 2023
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)	1 085 500	1 085 500

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.

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22-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 .

23-Legal reserve

	December 31, 2024	December 31, 2023
Balance at 1 January	562 734	533 542
Transferred to legal reserve	147 511	54 437
Change of non controlling interest without change in control	-	(25 245)
Balance at the end of the year	710 245	562 734

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, after the approval of the company's results by the General Assembly Meeting. 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

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24-Other reserves

	Foreign currency translation reserve	ESOP (Fair value) reserve **	Surplus Revaluation of fixed assets reserve	Share premium (special reserves)*	Total
Balance as at January 1, 2024 Restated	3 517 780	88 882	57 789	904 041	4 568 492
Foreign currency differences	3 327 498	-	-	-	3 327 498
Modification effect of fixed assets cost	-	-	(5 924)	-	(5 924)
Balance at December 31, 2024	6 845 278	88 882	51 865	904 041	7 890 065

*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.

	December 31, 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 3 087 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.

** The balance represents an employee benefit plan based on share-based payments settled in the form of shares and is measured at fair value on the date the benefits are granted. The fair value of the plan is recognized in the Statement of Profit or Loss over the period of the plan according to management's estimates of what will be implemented during this grant period. This plan ended at the end of 2018.

25-Non-controlling Interest

	Capital	Payment Under capital increase	Reserves	Legal reserve	Financial Solvency Reserve	General risk reserve	Retained earnings	December 31, 2024	December 31, 2023
Balance at 1 January	502 133	18 223	728 956	76 523	6 228	-	30 895	1 362 958	728 195
Net profit / loss for the year	-	-	-	-	-	-	131 772	131 772	(79 199)
Foreign currency translation results	-	-	401 821	-	-	-	-	401 821	207 253
Capital increase	72 608	-	-	-	-	-	-	72 608	18 223
Change in Non-controlling interests without changing in control	4 254	-	-	-	-	-	20 755	25 009	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 year	578 995	18 223	1 130 777	92 035	8 569	-	149 818	1 978 417	1 362 958

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI (Almajma Alalamia Litijarat Alsalarat (GK)16.07%,Ghabbour AL Qalam (GQ) 32% & GB Company for financial lease and factoring "S.A.E" 45% Automobilak "S.A.E" 15% & Transport Vechile distribution "S.A.E" 8%), before any intra-group eliminations:

	December 31, 2024	December 31, 2023
Non-current assets	4 789 532	3 754 685
Current assets	20 181 830	8 062 893
Non-current liabilities	(2 580 291)	(2 999 999)
Current liabilities	(15 057 364)	(4 124 322)
Net assets attributable to NCI	1 870 611	1 284 958
Revenue	14 754 480	8 512 243
Net Profit for the year	625 097	692 634
Net profit year attributable to NCI	192 373	193 004

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26-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 December 31, 2024 and December 31, 2023 as follows:

Total loans and notes payables

	December 31, 2024	December 31, 2023 Restated
Loans, borrowings and overdrafts	22 408 701	12 237 670
Short-term notes payable - suppliers	383 524	387 663
Total loans and notes payables	22 792 225	12 625 333
Less:		
Cash and cash equivalent	(7 420 866)	(4 504 238)
Letters of credit	-	(442 262)
Letters of guarantee	-	(208 238)
Net debt	15 371 359	7 470 595
Shareholders' equity	25 438 502	19 792 950
Net debt to equity ratio	0.60	0.38

27-Loans, borrowings and overdrafts

	December 31, 2024			December 31, 2023		
	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Banks overdraft	8 660 891	-	8 660 891	5 788 806	-	5 788 806
Loans	6 911 975	6 835 835	13 747 810	1 885 690	4 563 174	6 448 864
Total	15 572 866	6 835 835	22 408 701	7 674 496	4 563 174	12 237 670

A.Banks overdraft

	December 31, 2024	December 31, 2023
Less than one year	8 660 891	5 788 806
	8 660 891	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 guaranteed by the financial rights of the contracts concluded and arising from those contracts towards the clients of the group companies

	December 31, 2024	December 31, 2023
Less than one year	6 911 975	1 885 690
More than one year and less than five years	6 835 835	4 563 174
	13 747 810	6 448 864

Guarantees

GB Corporation Company (The Holding Company) has issued promissory notes to the sake of the Company as a guarantee at the banks either the operating in Egypt or outside of Egypt.

Interest Rate

The average interest rate of the current EGP and USD loans & borrowings is amounted to 8.4% and 29.19% respectively , the interest rate of EGP and USD 19.79% and 8.3% respectively during 2023.

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28-Trade payables and other credit balances

	December 31, 2024	December 31, 2023
Trade payables	14 500 562	3 249 478
Other credit balances	189 040	358 992
Advances from customers	622 868	821 168
Tax Authority	59 838	13 912
Value added tax	213 581	145 907
Accrued expenses	2 251 380	1 307 251
Accrued interest expense	223 189	52 266
Retention from others	135 313	89 642
Notes payables	383 524	387 663
Finance Lease liability	131 115	289 794
Dividends payable*	42 579	10 317
Deferred revenues	41 173	134 387
Due to clients for securitization	327 673	25 129
	19 121 835	6 885 906

* The due dividends were paid during April 2024.

29-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 year	54 751	36 878	310 546	402 175
Provisions utilized during the year	(739)	(27 880)	(21 178)	(49 797)
Provisions no longer required	-	(16 983)	(67 820)	(84 803)
Effect of movement of exchange rates	657	6 221	16 925	23 803
Balance at December 31, 2024	128 793	107 152	473 928	709 873
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 December 31, 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 year 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 December 31, 2024 EGP 7 070 thousand (at December 31, 2023 EGP 7 070 thousand).

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28-Provisions (Continued)

Other provisions

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

The information normally published about provisions in accordance with accounting standards has not been disclosed as the management believes that doing so would drastically affect the outcome of the negotiation with those related third parties according to the paragraphs no. 61 and 62 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.

30-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:

	December 31, 2024		December 31, 2023
	Assets	Liabilities	Net
US Dollars	2 442 276	(6 549 804)	(4 107 528)
Euros	227 623	(90 005)	137 618
Other currencies	5 399	(187 512)	(182 113)
			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 22,408,700 thousand Egyptian pounds on

December 31, 2024 (12,237,670 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 3,468,453 thousand as at December 31, 2024 (EGP 931 063 thousand as at December 31, 2023).

		December 31, 2024	December 31, 2023
Time deposits	USD	3 333 346	863 450
Time deposits	EUR	66 416	-
Time deposits	EGP	68 691	67 613
		3 468 453	931 063

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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 debtors is as following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes and accounts receivables	20 763 676	11 952 717
Debtors and other debit balances	5 868 943	3 273 666
Due from related parties	257 978	434 830
Cash	7 422 549	4 506 907
Total	34 313 146	20 168 120
Expected credit loss for the above	684 020	513 059
The ratio of the expected credit loss to the total debtors	1.99%	2.54%

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.

2- 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.

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

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GB Capital BV***	100.00%	100.00%
GB Real Estate Mortgage Finance BV	100.00%	100.00%
Transport Vehicle Distribution TVD S.A.E.	94.00%	94.00%
Automobilk S.A.E	85.00%	85.00%
GB Finance Lease BV*	40.00%	40.00%
GB Operational Lease BV	100.00%	100.00%
GB Consumer Finance BV	100.00%	100.00%
SME's credit facilities company B.V.(GB Factoring B.V. Previously)	100.00%	100.00%
GB Global BV	100.00%	100.00%
GB Automotive For Trade and Manufacture	100.00%	100.00%
SME Credit Eteman "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 Invesments.

** The company has been liquidated and the commercial register has been written off in 20 January 2025.

*** During the fourth quarter of 2024, GB Capital holding for Financial Investments "S.A.E." has merged GB Finance – BV in GB Capital BV , which is wholly owned by GB Capital holding for Financial Investments "S.A.E." , and GB Capital BV, which is wholly owned by GB Finance – BV. As a result of the merger, GB Capital BV became 100% owned by GB Capital holding for Financial Investments "S.A.E." instead of GB Finance – BV. Also it is worth mentioning that the merger process was carried out at the book value of all the company's assets.

32- Capital Commitments

The capital contractual expenditure of the Group at the consolidated financial statements date reached EGP 237 298 thousand at December 31,2024 (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>December 31, 2024</u>	<u>December 31, 2023</u>
USD	4 285 158	3 491 344
EGP	1 736 400	143 129
Japanese Yen	199 010	152 993
Euro	326 234	279 223
Crona Swidish	-	16 457

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34-Related party transactions

The related party transactions are represented in the transactions of the company's shareholders and the companies in which the company owns in it and / or the shareholders who owns shares directly or indirectly and has the right of control or practice with significant influence over those companies.

Due from related parties	December 31, 2024	December 31, 2023
El Bostan Holding	79 435	65 350
SIPAC - Algeria*	37 064	23 243
Algematco - Algeria*	79 480	48 536
MNT Investment B.V. Group	30 820	289 408
Auto Market Mizr	-	3 345
El Qalam Shareholders' Current Account	8 141	4 948
El Tariak Shareholders' Current Account	23 038	-
Total	257 978	434 830
Expected credit loss for due from related parties	(204 692)	(87 232)
	53 286	347 598

Due to related parties	December 31, 2024	December 31, 2023
Wahdan Company	2 058	68
	2 058	68

* The balance represents the value of balances due from related parties to the Group's companies in Algeria (GBR Auto and GBR Service) and which are fully impaired (Note 46).

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

Related party name	Relation type	Transaction nature	Transaction amount	
			December 31, 2024	December 31, 2023
Executive BOD Members	Board of Directors	Top Management Salaries	72 807	48 158
Marco Polo Company	Former shareholder in one of the subsidiaries	Services	-	93 587
MNT Investment B.V. Group	Associate	Financing	(358 588)	207 891

35- Investment in associates

	Contribution percentage	December 31, 2023	Adjustments on the beginning balance	December 31, 2023 Restated	Profit for the year	Remapping	Adjustments	Additions	Dividends	December 31, 2024
MNT Investment B.V. Group (Netherlands) **	44.01%	10 542 356	(230 341)	10 312 015	849 906	-	-	406 830	(190 168)	11 378 583
Bedaia for Real estate Financing	53.33%	83 477	-	83 477	30 466	-	-	-	-	113 943
Kaf for life insurance *	37.50%	-	-	-	(12 731)	50 000	(2 532)	71 000	-	105 747
		10 625 833	(230 341)	10 395 492	867 641	50 000	(2 532)	477 830	(190 168)	11 598 273

* 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 Finans), a leading fintech company in Turkey, against a payment in cash and the remaining of the payment is shares exchange which lead to further dilution GB Corp ownership to reach 44.01% after the acquisition (Compared to 49% in the previous year).

36-A Other Investments with fair value through Comprehensive Income

	Contribution percentage	December 31, 2024	December 31, 2023
Sky reality holding **	7.49%	142 261	103 500
Alfana company for car service	29.6%	2 000	2 000
Seatr 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%.

36-B Investments in fair value through profit or losses

SME Credit Etiman "S.A.E." Invested in "Thamar" investment fund at the Qatar National Bank by purchasing 114 143 units during the year. The unit price was 700.873 Egyptian pounds, with a total cost of 79 999 746 Egyptian pounds.

GB Corp (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024

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

37- Income statement according to expense nature

	December 31, 2024	December 31, 2023 Restated
Operating Revenue	53 969 539	28 317 230
Operating Cost	(43 454 917)	(21 432 690)
Gross Profit	10 514 622	6 884 540
Other income	505 593	523 052
Other Expenses	(240 108)	(337 001)
Expected Credit Losses	(115 616)	(2 659)
Gain from investment in associate	867 641	1 066 090
(Loss) from selling and remeasurement of investments in subsidiaries	-	(4 425)
Interest income	450 578	313 906
Installment sales interest	34 041	16 784
Bank Expense	(428 807)	(183 609)
Interest expense	(2 453 594)	(1 112 983)
Employees salaries & benefits	(2 795 546)	(1 725 406)
Selling & Marketing	(294 927)	(145 828)
Rents	(219 074)	(107 667)
Net (Losses) foreign exchange transaction	(291 567)	(1 499 123)
Depreciation and Amortization	(353 737)	(230 105)
Consulting	(213 068)	(160 160)
Transportation	(68 469)	(41 051)
Vehicles expense	(88 462)	(62 627)
Governmental Fees & stamps	(123 936)	(109 638)
IT Expense	(124 661)	(75 715)
Other Expenses	(84 651)	(111 979)
Impairment in fixed assets	-	(375 486)
Insurance	(53 266)	(29 697)
Security Expense	(40 502)	(28 432)
Training employees	(54 371)	(29 310)
Repair/Maintenance Expenses	(4 684)	(2 907)
Administration Supplies	(68 886)	(43 932)
Utilities	(41 474)	(23 644)
Donations & Public relation	(89 474)	(54 917)
Medical Fund	(120 119)	(60 096)
Freight	(4 344)	(12 041)
Net profit for the year before income tax	3 999 132	2 233 934

38- Securitized Operations

During the year 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, and during 2024 transfer contracts issued amounted 5 289 597 from the total value 19 378 886 and 4 543 343 from total present value 10 840 394.

December 31, 2024		December 31, 2023	
Total Value	Present Value	Total Value	Present Value
19 378 886	10 840 394	37 704 694	16 660 872

GB Corp (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024

(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 two billion Egyptian pounds only and for a period of not 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) EGP 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.

	December 31, 2024				
	Total Value	Borrowing Cost	Converted from more than one	Paid	Net
Installments Due within a year	356 923 077	(1 907 072)	220 534 160	(495 550 165)	80 000 000
Installments Over a year	343 076 923	(2 542 763)	(220 534 160)	-	120 000 000
Total	700 000 000	(4 449 835)	-	(495 550 165)	200 000 000

GB Corp (S.A.E)

Notes to the consolidated financial statements for the financial year ended December 31, 2024

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

40-1 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		5 965 736		5 965 736
Assets right of use		530 025	-	530 025
Intangible assets		350 473	184 635	535 108
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		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		23 471 541	(45 706)	23 425 835
Current assets				
Asset Held for sale		855 000	-	855 000
Inventories		6 366 072	-	6 366 072
Accounts and notes receivables		4 042 327	-	4 042 327
Debtors and other debit balances		2 998 442	-	2 998 442
Due from related parties		347 598	-	347 598
Cash on hand and at banks		4 504 238	-	4 504 238
Total current assets		19 113 677	-	19 113 677
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	106 921	478 235
Warranty provisions		7 070	-	7 070
Deferred tax liabilities		333 053	-	333 053
Total non-current liabilities		5 763 204	106 921	5 870 125
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
Operating Lease Liabilities		224 244	(106 921)	117 323
Trade payables and other credit balances		6 885 906	-	6 885 906
Total current liabilities		15 620 400	(106 921)	15 513 479
Total liabilities		21 383 604	-	21 383 604
Total equity and liabilities		42 585 218	(45 706)	42 539 512

GB Corp. (S.A.E)
Notes to the consolidated financial statements for the financial year ended December 31, 2024
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

40-2 Adjustment on Consolidated Income statement as of December 31, 2023

(All amounts in thousand Egyptian Pound)	Note	Before the restatment	Adjustments	After the restatment
Continuing operations				
Operating revenue	(5)	28 317 230	-	28 317 230
Operating cost	(5)	(21 432 690)	-	(21 432 690)
Gross profit		6 884 540	-	6 884 540
Other income	(6)	523 052	-	523 052
Selling and marketing expenses	(37)	(1 027 837)	-	(1 027 837)
General and administrative expenses	(37)	(2 402 802)	-	(2 402 802)
Other Expenses	(8)	(266 173)	(70 828)	(337 001)
Expected Credit Losses	(9)	(2 659)	-	(2 659)
Operating results		3 708 121	(70 828)	3 637 293
Finance costs (Net)	(7)	(2 465 024)	-	(2 465 024)
Investment in associates and liquidation losses	(35)	1 066 090	-	1 066 090
		(4 425)	-	(4 425)
Net profit for the year before Income tax		2 304 762	(70 828)	2 233 934
Income tax (expense)	(11-C)	(493 234)	70 828	(422 406)
Net profit for the year after tax		1 811 528	-	1 811 528
Attributable to:				
Shareholder's of the parent company		1 890 727	-	1 890 727
Non-controlling interests		(79 199)	-	(79 199)
		1 811 528	-	1 811 528
Basic earnings per share/ EGP	(10)	1.682	0.000	1.682

GB Corp (S.A.E)

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41 –Private Reserve – Non-Banking Financial Services:

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 December 31, 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 FRA.

42 – General Risk Reserve:

A general risk reserve is the difference between applying the expected credit loss model according to Egyptian Accounting Standard No. 47 for the provision for doubtful debts according to the instructions of the FRA.

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.	298 419
(2) Balance of net impairment of customers as recorded in the books and according to Egyptian accounting standards (expected credit losses).	(175 764)
The balance of reserve for financial solvency	122 655

44- Assets held for sale:

The balance represents the value of land and buildings obtained from one of the group's subsidiaries' customers, as the company's management intends to sell these assets, as there are negotiations currently underway with serious buyers and the management is committed to completing the sale process 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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(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

D) Revenue from customer contracts.

The Company recognizes revenue from contracts with customers based on a five-step model as specified in the standard:

Step 1: Define the contract(s) with the customer: A contract is defined as a binding agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria that must be met for each contract.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount the company expects to receive in exchange for the transfer of goods or services promised to the customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that includes more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that identifies the amount paid that the Company expects to receive in exchange for performance of obligation.

Step 5: Revenue is recognized when (or whenever) the entity performance an obligation. A company satisfies a performance obligation and recognizes revenue over a period of time if one of the following criteria is met:

(a) The Company's performance does not create any asset that has an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

(b) The Company creates or enhances an asset that the Customer controls when the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the company's performance as soon as the company performs.

- For performance obligations, if one of the above conditions is met, revenue is recognized over a period of time, which represents the time in which the performance obligation is fulfilled. When a company satisfies a performance obligation by providing the promised services, it creates a contract-based asset on the amount obtained from the performance. When the amount received from the customer exceeds the amount of revenue generated, this results in advance payments from the customer (a contract obligation).

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs can be measured reliably, where appropriate. Costs of obtaining a contract with the customer

- Under EAS 48, certain additional costs incurred in obtaining a contract with a customer ("contract costs"), which previously did not qualify for recognition as an asset under any of the other accounting standards, are deferred in the 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.

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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.

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

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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 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

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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:

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.

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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.

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.

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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.

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:

- The expected credit loss model requires the company to recognize a provision for doubtful debts on all financial assets carried at amortized cost, as well as debt instruments classified as financial assets at fair value through other comprehensive income since initial recognition, regardless of whether the loss has occurred.

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

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

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

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

- Principle of these assets

- Stage one: 12-month expected credit losses.

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

- Stage two: Lifetime ECL - not credit-impaired

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

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

- **Measurement**

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

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- **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.

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

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the lessee are not classified as an operating lease or as a finance lease. There are optional exemptions for short-term and low-value leases.

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

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

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

Recognition and measurement

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

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

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

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

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

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

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

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

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.

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P- Segmental reports

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

Q-Dividends

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

R-Comparative figures

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

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</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, 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

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested.</p> <p>The Company is not required to disclose the quantitative information required under paragraph 28(f) of 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>in which the Company applies this model for the first time.</p> <p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023, 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 <u>on or after July 1, 2024</u> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ". 		
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	This standard doesn't applicable for the consolidated financial statements.	The amendments shall apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this

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

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

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

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46 – Significant Events

- 1- On July 1, 2023, the Iraqi government stopped importing 2&3 wheelers. 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 as a result 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. 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. And the procedures of the arbitration case are ongoing.
- 3- 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.

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.