

GB Corp
(An Egyptian Joint Stock Company)

Consolidated Interim Financial Statements
For The Financial Period Ended March 31, 2025

And Limited Review Report

Contents	Page
Limited Review Report	1
Consolidated Interim Statement of Financial Position	2
Consolidated Interim Statement of Profit or Loss	3
Consolidated Interim Statement of Comprehensive Income	4
Consolidated Interim Statement of Changes in Equity	5
Consolidated Interim Statement of Cash Flows	7
Notes to the Consolidated Interim Financial Statements	8



Hazem Hassan
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Translation of limited review report
Originally issued in Arabic

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

Limited review report on consolidated interim financial statements

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

Introduction

We have performed a limited review for the accompanying consolidated interim statement of financial position of GB Corp (S.A.E) as at March 31, 2025 and the related consolidated interim statements of Profit or Loss and comprehensive income, changes in equity, and cash flows for the three-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (no. 2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

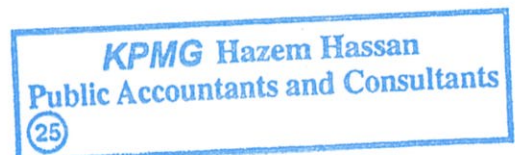
Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated interim financial position of the Company as at March 31, 2025 and of its consolidated financial performance and its cash flows for the three-months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo May 14, 2025



GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Financial Position
as at March 31, 2025

(All amounts in thousand Egyptian Pound)	Note No.	31 March 2025	31 December 2024
Assets			
Non-current assets			
Property, plant, equipment and projects under construction	(17)	8 661 921	8 193 201
Assets right of use	(18-A)	1 260 396	1 115 089
Intangible assets and goodwill	(19)	1 041 812	1 052 278
Investment in associate	(34)	11 657 633	11 598 273
Investments in fair value through OCI	(35-A)	172 507	145 261
Long term notes receivables	(13)	8 209 525	7 610 377
Deferred tax assets	(11-B)	68 325	111 767
Debtors and other debit balances	(15-A)	285 887	285 887
Total non-current assets		31 358 006	30 112 133
Current assets			
Assets held for sale	(42)	894 436	896 270
Inventories	(12)	21 442 027	21 134 299
Accounts and notes receivables	(14)	8 450 443	7 581 323
Investments in fair value through profit or losses	(35-B)	58 620	79 999
Debtors and other debit balances	(15-B)	5 920 185	5 446 827
Due from related parties	(33)	54 799	53 286
Cash and cash equivalents	(16)	8 341 953	7 420 866
Total current assets		45 162 463	42 612 870
Total assets		76 520 469	72 725 003
Equity			
Issued and paid in capital	(20)	1 085 500	1 085 500
Reserve for financial Solvency	(41)	118 416	122 655
General risk reserve	(40)	1 402	1 359
Legal reserve	(22)	783 625	710 245
Other reserves	(23)	7 842 509	7 890 066
Private risk reserve - Non banking financial service	(39)	-	20 393
Retained Earning		15 086 270	12 680 163
Net Profit for the Period		626 522	2 928 121
Equity attributable to parent Company		25 544 244	25 438 502
Non-controlling interests	(24)	1 951 486	1 978 417
Total equity		27 495 730	27 416 919
Liabilities			
Non-current liabilities			
Loans	(26)	7 337 822	6 835 835
Long term Bonds	(38)	100 000	120 000
Long term notes payables and creditors		136 902	384 389
Right of use Liability	(18-B)	1 251 363	1 123 775
Warranty provisions	(28)	7 070	7 070
Deferred tax liabilities	(11-B)	380 392	401 974
Total non-current liabilities		9 213 549	8 873 043
Current liabilities			
Provisions	(28)	754 440	702 803
Current tax liabilities	(11-A)	873 869	744 120
Loans, borrowings and overdrafts	(26)	19 020 318	15 572 866
Due to related parties	(33)	2 058	2 058
Bonds	(38)	80 000	80 000
Operating Lease Liabilities	(18-B)	194 332	211 359
Trade payables and other credit balances	(27)	18 886 173	19 121 835
Total current liabilities		39 811 190	36 435 041
Total liabilities		49 024 739	45 308 084
Total equity and liabilities		76 520 469	72 725 003


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

Group Chief Financial Officer and
Executive Board Member
Abbas Elsayed



**Limited Review Report "attached"

Executive Board Member
Nader Ghabbour



GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Profit or Loss
for the financial period ended 31 March 2025

(All amounts in thousand Egyptian Pound)	Note No.	31 March 2025	31 March 2024
Operating revenue	(5)	16 760 453	9 006 184
Operating cost	(5)	(14 007 790)	(6 442 636)
Gross profit	(5)	2 752 663	2 563 548
Other income	(6)	126 521	119 252
Selling and marketing expenses	(36)	(636 546)	(429 390)
General and administrative expenses	(36)	(817 680)	(686 948)
Other Expenses	(8)	(23 121)	(14 356)
Expected Credit Losses	(9)	(17 101)	(25 615)
Operating Profit		1 384 736	1 526 491
Finance costs (Net)	(7)	(684 181)	(752 347)
Gain from investment in associate	(34)	59 360	182 132
Net profit for the period before income tax		759 915	956 276
Income tax	(11-C)	(157 158)	(289 272)
Net profit for the period after income tax		602 757	667 004
Attributable to:			
Shareholder's of the parent company		626 522	626 333
Non-controlling interests		(23 765)	40 671
		602 757	667 004
Basic earning per share (EGP/Share)	(10)	0.577	0.577

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Comprehensive Income
for the financial period ended 31 March 2025

(All amounts in thousand Egyptian Pound)	<u>Note No.</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
Net profit for the period after income tax		602 757	667 004
Other comprehensive income items			
Foreign currency translation difference		(48 987)	2 882 849
Modification of fixed assets cost		(2 155)	(2 692)
Total other comprehensive income for the period before income tax		<u>(51 142)</u>	<u>2 880 157</u>
Income tax related to other comprehensive income	(11-B)	419	1 950
Total other comprehensive income for the period after income tax		<u>(50 723)</u>	<u>2 882 107</u>
Total comprehensive income for the period		<u><u>552 034</u></u>	<u><u>3 549 111</u></u>
Comprehensive income is attributable to:			
Shareholder's of the parent company		578 965	3 179 072
Non-controlling interests		(26 931)	370 039
		<u><u>552 034</u></u>	<u><u>3 549 111</u></u>

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

CB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Changes in Equity
for the financial period ended 31 March 2025

31 March 2025	Shareholder's equity of the parent company									
(All amounts in thousand Egyptian Pound)	Share capital	Legal reserve	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve	Share premium (Special reserve)	Reserve for financial solvency risk	General risk reserve	Private risk reserve - Non banking financial service	
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
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	2 928 121
										(2 928 121)
Total comprehensive income										
Net profit for the period	-	-	-	-	-	-	-	-	-	626 522
Modification surplus of fixed assets cost after income tax (net)	-	-	-	-	(1 736)	-	-	-	-	(1 736)
Other Comprehensive income items	-	-	(45 821)	-	-	-	-	-	-	(45 821)
Total comprehensive income	-	-	(45 821)	-	(1 736)	-	-	-	-	626 522
										(26 931)
Transactions with owners of the Company										
Reserve for financial solvency risk	-	-	-	-	-	-	(4 239)	-	-	4 239
Modification of fixed assets cost	-	-	-	-	-	-	-	-	-	2 267
General risk reserve/ special	-	-	-	-	-	-	-	43	(20 393)	20 350
Dividends Distributions	-	-	-	-	-	-	-	-	-	(475 490)
Purchase Treasury Bills	-	-	-	-	-	-	-	-	-	-
Non-Controlling interests share of liquidated Companies	-	-	-	-	-	-	-	-	-	-
Transferred to legal reserve	-	73 380	-	-	-	-	-	-	-	(73 380)
Total Transactions with owners of the company	-	73 380	-	-	-	-	(4 239)	43	(20 393)	(522 014)
										(473 223)
Balance at March 31, 2025	1 085 500	783 625	6 799 458	88 882	50 129	904 041	118 416	1 402	-	15 086 270
										626 522
										25 544 244
										1 951 486
										27 495 730

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

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Change in Equity
for the financial period ended 31 March 2025

	Shareholder's equity of the parent company										Private risk reserve - Non banking financial service	Retained Earning	Net profit for the period	Total	Non-Controlling Interests	Total equity
	Share capital	Legal reserve	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve	Share premium (Special reserve)	Reserve for financial solvency									
31 March 2024																
(All amounts in thousand Egyptian Pound)																
Balance at December 31, 2023	1 085 500	562 734	3 333 145	88 882	57 789	904 041	7 612	20 393	11 887 833	1 890 727	19 838 656	1 362 958	21 201 614			
Adjustments on opening balance	-	-	-	-	-	-	-	-	(230 341)	-	(230 341)	-	(230 341)			
Balance at December 31, 2023 Restated	1 085 500	562 734	3 333 145	88 882	57 789	904 041	7 612	20 393	11 657 492	1 890 727	19 608 315	1 362 958	20 971 273			
Transferred to retained earnings	-	-	-	-	-	-	-	-	1 890 727	(1 890 727)	-	-	-			
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-			
Net profit for the period	-	-	-	-	-	-	-	-	-	626 333	626 333	40 671	667 004			
Modification surplus of fixed assets after income tax (Net)	-	-	-	-	(742)	-	-	-	-	(742)	-	-	-			
Other Comprehensive income items	-	-	2 553 480	-	-	-	-	-	-	-	2 553 480	329 369	2 882 849			
Total comprehensive income	-	-	2 553 480	-	(742)	-	-	-	-	626 333	3 179 071	370 040	3 549 111			
Transactions with owners of the Company																
Reserve for financial solvency	-	-	-	-	-	-	3 160	-	(3 160)	-	-	-	-			
Modification surplus of fixed assets	-	-	-	-	-	-	-	-	2 692	-	2 692	-	2 692			
Private risk reserve - Non banking financial service	-	-	-	-	-	-	-	5 934	(5 934)	-	-	-	-			
Dividends	-	-	-	-	-	-	-	-	(288 215)	-	(288 215)	-	(288 215)			
Capital increase	-	-	-	-	-	-	-	-	-	-	-	3 827	3 827			
Transferred to legal reserve	-	98 363	-	-	-	-	-	-	(98 363)	-	-	-	-			
Payment under capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Transactions with owners of the company	-	98 363	-	-	-	-	3 160	5 934	(392 981)	-	(285 524)	72 155	(213 369)			
Balance at March 31, 2024	1 085 500	661 097	5 886 625	88 882	57 047	904 041	10 772	26 327	13 155 238	626 333	22 501 862	1 805 153	24 307 015			

GB Corp
(An Egyptian Joint Stock Company)
Consolidated interim Statement of Cash Flows
for the financial period ended 31 March 2025

(All amounts in thousand Egyptian Pound)

	Note No.	31 March 2025	31 March 2024
Net profit for the period before tax		759 915	956 276
Adjustments for:			
Interest expense	(7)	836 128	471 805
Depreciation and amortization for the period	(17,18,19)	319 805	580 459
Provisions movements	(28)	60 823	60 624
Impairment losses on current assets		8 822	21 926
Interest income	(7)	(119 640)	(103 419)
Gain from sale of property, plant, equipment and assets held for sale	(6)	(11 914)	(35 544)
Gain from investment in associate		(59 360)	(182 132)
Unrealized Foreign currency exchange (Gain) / losses		(4 880)	863 107
		1 789 699	2 633 103
Changes in:			
Inventories		(337 004)	(2 705 743)
Accounts and notes receivables		(1 495 446)	(1 915 209)
Debtors and other debit balances		(520 312)	(220 726)
Due from related parties		(1 667)	(216 951)
Payment rent for asset right of use		(30 334)	(19 026)
Proceeds from loans and borrowings		1 602 086	1 583 104
Trade payables and other credit balances **		(542 068)	3 085 290
Cash provided from operating activities		464 954	2 223 842
Provisions used		(8 209)	(5 354)
Income tax paid		(5 130)	(9 528)
Dividends distributions paid for employees and Board of Directors		(95 565)	(30 652)
Net cash provided from operating activities		356 050	2 178 309
Cash flows from investing activities			
Payment for acquisition of property, plant, equipment and projects under constructions		(853 675)	(1 511 237)
Payment for acquisition of intangible assets		-	(47)
Interest income received		158 426	(173 555)
Payment under investment		21 379	-
Paid for other investments and associates		(27 246)	-
Proceeds from sale of property, plant, equipment and assets held for sale		36 008	108 427
Net cash (used in) investing activities		(665 108)	(1 576 412)
Cash flows from financing activities			
Bonds		(20 000)	(20 000)
Proceeds from loans and borrowings		2 347 353	1 844 391
Long-Term notes payable		(247 487)	(3 240)
Interest expense paid		(798 985)	(645 315)
Net cash Provided from financing activities		1 280 881	1 175 836
Net Increase in cash and cash equivalents		971 823	1 777 733
Cash and cash equivalents at the beginning of the period		7 422 549	4 506 907
Effect of movements in exchange rates on cash and cash equivalents		(51 110)	810 992
Cash and cash equivalents at end of the period	16	8 343 262	7 095 632

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

** The amount of EG 379 925 thousand was excluded from a change in creditors and other credit balances which it represents the unpaid dividends on 31 March 2025, as this amount represents a non cash transaction.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

(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 5.10% and The Miri Strategic Emerging Markets Fund LP company owns 7.58% and other investors owns 23.94% of the Company's shares as at March 31, 2025.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 14, 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 period ended March 31, 2025

(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 interim financial statements for the financial period ended March 31, 2025

(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

	March 31, 2025	%	March 31, 2024	%
Passenger car	11 815 460	70.50%	5 447 498	60.49%
Buses and trucks	1 342 008	8.01%	679 081	7.54%
2 & 3 Wheels	452 919	2.70%	447 901	4.97%
Financial non-Banking Services	2 292 333	13.68%	1 350 844	15.00%
Other Operations	857 733	5.11%	1 080 860	12.00%
	16 760 453	100%	9 006 184	100%

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

	March 31, 2025	%	March 31, 2024	%
Passenger car	3 548 919	30.04%	1 933 721	35.50%
2 & 3 Wheels	86 623	19.13%	208 083	46.46%

B- Sectors results

	March 31, 2025	%	March 31, 2024	%
Passenger car	1 764 496	64.10%	1 486 394	57.98%
Buses and trucks	293 278	10.65%	253 587	9.89%
2 & 3 Wheels	63 738	2.32%	146 548	5.72%
Financial non-Banking Services	454 671	16.52%	267 874	10.45%
Other Operations	176 480	6.41%	409 145	15.96%
	2 752 663	100%	2 563 548	100%

C-Assets

	March 31, 2025	%	December 31, 2024	%
Passenger car	22 298 065	29.14%	21 192 066	29.14%
Buses and trucks	17 859 877	23.34%	16 974 016	23.34%
2 & 3 Wheels	3 366 901	4.40%	3 199 900	4.40%
Financial non-Banking Services	19 107 161	24.97%	18 159 433	24.97%
Other Operations	13 888 465	18.15%	13 199 588	18.15%
	76 520 469	100%	72 725 003	100%

D- Liabilities

	March 31, 2025	%	December 31, 2024	%
Passenger car	17 943 054	36.60%	16 582 759	36.60%
Buses and trucks	15 192 767	30.99%	14 040 975	30.99%
2 & 3 Wheels	362 783	0.74%	335 280	0.74%
Financial non-Banking Services	11 942 426	24.36%	11 037 049	24.36%
Other Operations	3 583 709	7.31%	3 312 021	7.31%
	49 024 739	100%	45 308 084	100%

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

(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>March 31, 2025</u>	<u>March 31, 2024</u>
Revenues		
Total revenues of operating segments	20 787 328	9 785 135
Elimination of revenue between group inter-segment	(4 026 875)	(778 951)
Consolidated Revenue	<u>16 760 453</u>	<u>9 006 184</u>
Segments result		
Gross profit of operating segment	2 878 931	2 616 551
Elimination of gross profit between group inter-segment	(126 268)	(53 003)
Consolidated Gross Profit	<u>2 752 663</u>	<u>2 563 548</u>
Assets		
Total assets of operating segments	116 825 328	89 344 450
Elimination of assets between group inter-segment	(40 304 859)	(36 047 129)
Total Consolidated Assets	<u>76 520 469</u>	<u>53 297 321</u>
Liabilities		
Total Liabilities of operating segments	72 503 131	47 865 355
Elimination of Liabilities between group inter-segment	(23 478 392)	(18 875 049)
Total Consolidated Liabilities	<u>49 024 739</u>	<u>28 990 306</u>

F-Other profit or loss amounts

	<u>Total reportable segment</u>	<u>Elimination between group</u>	<u>Total consolidated March 31, 2025</u>
Finance income	119 640	-	119 640
Interest expense and Bank Charges	(982 236)	146 108	(836 128)
Depreciation and Amortization	319 805	-	319 805
	<u>Total reportable segment</u>	<u>Elimination between group</u>	<u>Total consolidated March 31, 2024</u>
Finance income	103 419	-	103 419
Interest expense and Bank Charges	(568 428)	96 623	(471 805)
Depreciation and Amortization	580 459	-	580 459

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

Translation of consolidated interim financial statements
Originally issued in Arabic

5- Operating segments (continued)

11- Operations results

	Passenger cars		Trucks and buses		Two and three wheel		Financial Non Banking Service		Other operations		Total
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Operating revenue	11 815 460	5 447 498	1 342 008	679 081	452 919	447 901	2 292 333	1 350 844	857 733	1 080 860	9 006 184
Operating cost	(10 050 964)	(3 961 104)	(1 048 730)	(425 494)	(389 181)	(301 353)	(1 837 602)	(1 082 970)	(681 253)	(671 715)	(6 442 636)
Gross profit	1 764 496	1 486 394	293 278	253 587	63 738	146 548	454 671	267 874	176 480	409 145	2 563 548
Selling and Marketing expenses											(636 346)
General and administrative expenses											(817 680)
Other Expenses											(23 121)
Expected Credit Losses											(17 101)
Other income											126 521
Operating profit											1 384 736
Gain from investment in associate											59 360
Finance cost (Net)											(684 181)
Net profit for the period before income tax											759 915
Income tax expense											(157 158)
Net profit for the period after income tax											602 757
Attributable to:											667 004
Shareholders of the parent Company											626 522
Non-controlling interests											(23 765)
											602 757

6- Other Income

	March 31, 2025	March 31, 2024
Gain on sale of fixed asset	11 914	35 544
Gain from Scrap Sales	37 936	21 841
Other revenues	24 240	28 865
Incentive revenue	52 431	33 002
Total	126 521	119 252

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7-Finance Costs (Net)

	March 31, 2025	March 31, 2024
Interest income	103 399	96 884
Interest income on installment sales	16 241	6 535
Total Finance Income	119 640	103 419
Interest expense	(836 128)	(471 805)
Foreign exchange Gain / (loss)	32 307	(383 961)
Total Finance Cost	(803 821)	(855 766)
Net Finance Cost	(684 181)	(752 347)

8- Other Expenses

	March 31, 2025	March 31, 2024
Provisions	(23 121)	(14 356)
	(23 121)	(14 356)

9- Expected Credit Losses on Profit and Losses

	March 31, 2025	March 31, 2024
Expected credit loss of Accounts & Notes receivable	(12 008)	(2 743)
Expected credit loss of Debtors & Other debit balances	(5 093)	(20 234)
Expected Credit Loss of Cash and cash equivalent	-	(2 638)
	(17 101)	(25 615)

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

(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 period by the weighted average number of ordinary shares issued during the period.

On 26 March 2025, the General Assembly unanimously approved the distribution of dividends for the fiscal year ending on 31 December 2024 in the amount of 379,925,000 Egyptian pounds (35 piasters per share in the total capital of 1,085,500,000 EGP), to be paid in two installments: the first installment of 20 piasters per share on 30 April 2025 and the second installment of 15 piasters per share on 17 July 2025.

	March 31, 2025	March 31, 2024
Net profit for the period (parent company share)	626 522	626 333
Divided by:		
Weighted average number of ordinary shares issued	1 085 500	1 085 500
Basic profit earnings per share/ EGP	<u>0.577</u>	<u>0.577</u>

11-Income tax

A-Income tax liabilities

	March 31, 2025	December 31, 2024
Balance at 1 January	744 120	344 262
Taxes paid during the period	(5 130)	(391 828)
Current income tax during the period (Note 11-C)	134 879	791 686
Balance at the end of the period	<u>873 869</u>	<u>744 120</u>

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

11-Income tax (Continued)										Total	
B-Deferred tax Asset and Liability	Note No.	Fixed Assets	Carried forward losses	Inventory Impairment	Warranty Provision	Revaluation surplus of fixed assets*	Notes payable	Capital Gains	31-Mar-25	31-Dec-24	
Deferred tax assets											
Balance at 1 January		11	63 229	6 266	40 343	-	1 919	-	111 768	186 945	
Charged to the profit or loss statement		-	(51 516)	(177)	8 689	-	(439)	-	(43 443)	(75 177)	
Balance at the end of the period		11	11 713	6 089	49 032	-	1 480	-	68 325	111 768	
Deferred tax liabilities											
Balance at 1 January		(401 268)	-	-	-	(1 602)	-	896	(401 974)	(333 053)	
Charged to the profit or loss statement		21 163	-	-	-	-	-	-	21 163	(72 376)	
Charged to Statement of comprehensive income		-	-	-	-	419	-	-	419	3 455	
Balance at the end of the period		(380 105)	-	-	-	(1 183)	-	896	(380 392)	(401 974)	
Net Balance at the end of the period		(380 094)	11 713	6 089	49 032	(1 183)	1 480	896	(312 067)	(290 206)	
Net											
Balance at 1 January		(401 257)	63 229	6 266	40 343	(1 602)	1 919	896	(290 206)	(146 108)	
Charged to the profit or loss statement	(11-C)	21 163	(51 516)	(177)	8 689	-	(439)	-	(22 279)	(147 553)	
Charged to Statement of comprehensive income		-	-	-	-	419	-	-	419	3 455	
Balance at the end of the period		(380 094)	11 713	6 089	49 032	(1 183)	1 480	896	(312 067)	(290 206)	

* 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 interim financial statements for the financial period ended March 31, 2025
(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)

Unrecognized deferred tax assets

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

	March 31, 2025	December 31, 2024
Expected credit loss for accounts and notes receivables	81 725	76 819
Expected credit loss for other debit balances	28 751	30 652

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

	March 31, 2025	March 31, 2024
Current income tax (Note 11-A)	(134 879)	(268 156)
Deferred tax – (Note 11-B)	(22 279)	(21 116)
Income tax for the period	(157 158)	(289 272)

C-2 Adjustment for Preparing Effective Income Tax Rate

	March 31, 2025	March 31, 2024
Net profit for the period before income tax	759 915	956 276
Income tax rate according to the law	22.5%	22.5%
Income tax calculated according to the tax law	170 981	215 162
Adjustments	(13 823)	74 110
Income tax as shown in the income statement	157 158	289 272
Effective tax rate	20.68%	30.2%

D-Amounts recognized in OCI

	March 31, 2025			March 31, 2024		
	Before Tax	Taxes	After Tax	Before Tax	Taxes	After Tax
Foreign Currency translation difference	(48 987)	-	(48 987)	2 882 849	-	2 882 849
revaluation surplus of fixed assets cost	(2 155)	419	(1 736)	(2 692)	1 950	(742)
	(51 142)	419	(50 723)	2 880 157	1 950	2 882 107

12-Inventories

	March 31, 2025	December 31, 2024
Goods in transit	3 888 317	5 757 717
Cars, buses and trucks	10 771 956	9 491 858
Raw material and car components	3 793 032	2 988 523
Spare parts for sale	1 881 611	1 827 043
Work in progress	1 251 482	1 224 280
Tires	489	202
Oils	1 399	79
Total	21 588 286	21 289 702
* Impairment of inventory	(146 259)	(155 403)
Net	21 442 027	21 134 299

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

13-Long term notes receivables

	March 31, 2025	December 31, 2024
Long-term notes receivable	11 496 361	10 349 197
Interest income on installment sales	(3 153 452)	(2 615 280)
Net present value for long-term notes receivable	8 342 909	7 733 917
Expected credit loss for long-term notes receivable	(133 384)	(123 540)
Net	8 209 525	7 610 377

14-Accounts and notes receivables

	March 31, 2025	December 31, 2024
Total notes receivable	8 453 308	7 044 670
Unamortized interest	(3 153 452)	(2 615 280)
Net present value for short-term notes receivable	5 299 856	4 429 390
Trade receivable	3 380 424	3 369 809
Total	8 680 280	7 799 199
Expected credit loss for accounts and notes receivable balances	(229 837)	(217 876)
Net	8 450 443	7 581 323

The following table represents the Expected credit loss for accounts and notes receivables according to the expected losses model on March 31, 2025:

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	12 627 950	224 186	329 506	13 181 642
Deduct:				
Expected credit loss for accounts and notes receivable balances	(39 111)	(22 324)	(166 662)	(228 097)
Net	12 588 839	201 862	162 844	12 953 545

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	584 129	3.16%	(18 456)	565 673
Trade receivables	2 694 828	2.41%	(65 053)	2 629 775
From 1 to 30 Day	382 399	2.0%	(7 649)	374 750
From 31 to 60 Day	87 955	9.34%	(8 219)	79 736
From 61 to 90 Day	28 172	16.05%	(4 523)	23 649
From 91 to 120 Day	2 094	23.88%	(500)	1 594
More than 120 Day	61 970	49.58%	(30 724)	31 246
Total	3 841 547		(135 124)	3 706 423

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

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Excess in securitization operations	285 887	285 887
	<u>285 887</u>	<u>285 887</u>

The balance represents the present value for the expected amount to be collected back at the maturity of each Securitization transaction at December 31 of each year.

B-Debtors and other debit balances

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Advance payments to suppliers	1 704 977	1 616 468
Withholding tax	862 575	780 197
Value added tax	486 006	413 647
Accrued interest	-	38 786
Accrued revenue	568 815	462 425
Letters of credit	756 544	1 118 470
Prepaid expenses	536 332	416 374
Security deposits with others	67 906	31 416
Letters of guarantee	233 568	237 521
Staff loans and custodies	62 828	47 480
Other debit balances	763 977	413 087
Customs duties	4 441	7 185
Total	6 047 969	5 583 056
Expected credit loss for debtor and other debit balances	(127 784)	(136 229)
Net	5 920 185	5 446 827

16-Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Time deposits	3 936 090	3 468 453
Cash on hand and in banks	4 077 782	3 660 802
Checks under collections	329 390	211 294
Treasury bills	-	82 000
Cash and Cash equivalents According to cash flow	8 343 262	7 422 549
Expected credit loss for Cash and cash equivalent	(1 309)	(1 683)
Net	8 341 953	7 420 866

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

Originally issued in Arabic

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

17 - Property, plant, equipments and projects under construction

<u>Cost</u>	Land and Buildings	Machinery & equipment	Vehicles	Computers	Fixtures & furniture	Leasehold improvements	* Projects under construction	Total
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)	(2 985)	(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	2 693 963	11 643 207
Cost at 1 January 2025	4 030 298	1 525 455	1 308 857	298 200	1 609 772	176 662	2 693 963	11 643 207
Additions during the period	-	21 718	144 463	9 193	45 376	-	395 211	615 961
Transferred from projects under construction to PP&E and intangible assets	-	29 872	-	-	12 355	5 071	(47 404)	(106)
Disposals during the period	-	(19 143)	(15 875)	-	(3 976)	-	(613)	(39 607)
Effect of movements of translation of foreign entities	(155)	(497)	(552)	(14 864)	(2 864)	347	-	(18 585)
Balance at 31 March 2025	4 030 143	1 557 405	1 436 893	292 529	1 660 663	182 080	3 041 157	12 200 870
Accumulated depreciation and impairment losses								
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)	-	-	(231 384)
Effect of accumulated depreciation modification using modification factor	-	(118)	(4 421)	-	(627)	-	-	(5 165)
Effect of movements of translation of foreign entities	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	249 059	884 568	84 330	-	3 450 008
Accumulated depreciation at 1 January 2025	1 033 341	943 930	254 778	249 059	884 568	84 330	-	3 450 008
Depreciation during the period	11 463	30 058	41 784	3 618	34 238	2 354	-	123 515
Disposals during the period	(532)	(16 790)	(13 205)	-	(1 763)	-	-	(32 290)
Effect of accumulated depreciation modification using modification factor	-	(114)	(40)	-	(48)	-	-	(202)
Effect of movements of translation of foreign entities	(408)	(283)	(6)	(336)	(1 444)	394	-	(2 083)
Accumulated depreciation at 31 March 2025	1 043 864	956 801	283 311	252 341	915 551	87 078	-	3 538 949
Net carrying Amount								
At 1 January 2024	2 649 287	388 119	627 623	5 474	563 303	80 569	1 651 361	5 965 735
At 31 December 2024	2 996 957	581 525	1 054 079	49 141	725 204	92 332	2 693 963	8 193 201
At 31 March 2025	2 986 279	600 603	1 153 582	40 188	745 111	95 001	3 041 157	8 661 921

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

18- Assets and Liabilities Right Of Use

A- Asset Right Of Use

	<u>Land & building</u>	<u>Total</u>
Cost		
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	1 848 872
Balance at January 1, 2025	1 848 873	1 848 873
Addition during the period	353 068	353 068
Disposals during the period	(15 041)	(15 041)
Effect of exchange rates	(2 721)	(2 721)
Balance at March 31, 2025	2 184 179	2 184 179
Accumulated depreciation and impairment losses		
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
Accumulated depreciation at January 1, 2025	733 784	733 784
Depreciation during the period	192 368	192 368
Disposals during the period	(1 737)	(1 737)
Effect of exchange rates	(632)	(632)
Accumulated depreciation at March 31, 2025	923 783	923 783
Net Book value at March 31, 2025	1 260 396	1 260 396
Net Book value at December 31, 2024	1 115 089	1 115 088

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>March 31, 2025</u>	<u>December 31, 2024</u>
Total un-settled lease contracts liabilities	2 467 055	2 298 283
Interests on lease contracts	(1 021 360)	(963 149)
Net present value of total liabilities on right of use	1 445 695	1 335 134
Divided into:		
Current portion of lease contracts liabilities	194 332	211 359
Non-current portion of lease contracts liabilities	1 251 363	1 123 775

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

(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	914 726	144 094	177 375	1 236 195
Transfer from PUC	-	106	-	106
Changes impact in the translation of foreign entities	(3 936)	-	-	(3 936)
Balance at March 31, 2025	910 790	144 200	177 375	1 232 365
Accumulated amortization				
Balance at 1 January	-	83 405	100 512	183 917
Amortization during the period	-	5 158	1 478	6 636
Balance at March 31, 2025	-	88 563	101 990	190 553
Net Book value at March 31, 2025	910 790	55 637	75 385	1 041 812
Net Book value at December 31, 2024	914 726	60 689	76 863	1 052 278

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 Alsaiaarat (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 710 million . During 30 September 2021 increased its stake in Almajmoa Alalamia Litijaret Alsaiaarat (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 million Egyptian pounds and that is based on preliminary study in light of the current information available to date.

Goodwill is allocated as presented below:

	March 31, 2025	December 31, 2024
Iraq PC- Sales	710 152	713 235
Financial leasing activity	1 000	1 000
After Sale service- PC	2 870	2 870
Jordan PC- Sales	196 768	197 621
	910 790	914 726

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

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

20-Issued and paid in capital

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Authorized capital (5 000 000 000 shares with par value EGP 1 each)	5 000 000	5 000 000
Issued and paid capital (1 085 500 000 shares with par value of EGP 1 each)	<u>1 085 500</u>	<u>1 085 500</u>

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

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

(Capital Increase)

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

EGP 135 337 545 to be EGP 1 095 337 545 with an increase of EGP 960 000 000 to be divided on 1 095 337 545 shares with a par value of 1 EGP each. (In additional 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 execute the company's treasury shares amounting to 8,509,733 shares and to reduce the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction becomes 1,085,500,000 Egyptian pounds, and it was approved by the General Authority for Investment on 3/8/2022 It was annotated in the Commercial Register on August 15, 2022.

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

21-Treasury Shares

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

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

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

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

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

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

22-Legal reserve

	March 31, 2025	December 31, 2024
Balance at 1	710 245	562 734
January		
Transferred	73 380	147 511
to legal		
Balance at	783 625	710 245
the end of		

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 147 536 thousand related to the parent Company, the rest of the balance represents the legal reserve of the Group's Companies

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

23-Other reserves

	ESOP				Total
	Foreign currency translation reserve	(Fair value) reserve	Surplus Revaluation of fixed assets reserve	Share premium (special reserves)*	
Balance as at January 1, 2025	6 845 278	88 882	51 865	904 041	7 890 066
Foreign currency differences	(45 821)	-	-	-	(45 821)
Modification effect of fixed assets cost	-	-	(1 736)	-	(1 736)
Balance at March 31, 2025	6 799 457	88 882	50 129	904 041	7 842 509

*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.

	March 31, 2025	December 31, 2024
Share premium	904 041	904 041

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

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

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

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

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

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.

24-Non-controlling Interest

	Total						March 31, 2025	December 31, 2024
	Capital	Payment Under capital increase	Reserves	Legal reserve	Financial Solvency Reserve	Retained earnings		
Balance at 1 January	578 995	18 223	1 130 777	92 035	8 569	149 818	1 978 417	1 362 958
Net profit / loss for the period	-	-	-	-	-	(23 765)	(23 765)	131 772
Foreign currency translation results	-	-	(3 166)	-	-	-	(3 166)	401 821
Capital increase	18 223	(18 223)	-	-	-	-	-	72 608
Change in Non-controlling interests without changing in control	-	-	-	-	-	-	-	25 009
Dividends Distributions	-	-	-	-	-	-	-	(15 751)
Balance at the end of the period	597 218	-	1 127 611	92 035	8 569	126 053	1 951 486	1 978 417

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI (Almajma'a Alalamia Litijaret Alsaiaarat (GK)16.67%,Ghabbour AL Qalam (GQ) 32% & GB Company for financial lease and factoring "S.A.E" 45% Autombilak "S.A.E" 17% & Transport Vehicle distribution "S.A.E" 7.5%), before any intra-group eliminations:

	March 31, 2025	December 31, 2024
Non-current assets	5 230 870	4 789 532
Current assets	20 700 537	20 181 830
Non-current liabilities	(2 189 574)	(2 580 291)
Current liabilities	(15 657 173)	(15 057 364)
Net assets attributable to NCI	2 011 235	1 870 611
Revenue	4 428 716	14 754 480
Net Profit for the period	(67 231)	625 097
Net profit period attributable to NCI	(11 334)	192 373

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

25-Capital Management

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

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

Net debt to equity ratio at March 31, 2025 and December 31, 2024 as follows:

Total loans and notes payables

	March 31, 2025	December 31, 2024
Loans, borrowings and overdrafts	26 358 140	22 408 701
Short-term notes payable - suppliers	82 946	383 524
Total loans and notes payables	26 441 086	22 792 225
Less:		
Cash and cash equivalent	(8 341 953)	(7 420 866)
Net debt	18 099 133	15 371 359
Shareholders' equity	25 544 244	25 438 502
Net debt to equity ratio	0.71	0.60

26-Loans, borrowings and overdrafts

	March 31, 2025			December 31, 2024		
	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Banks overdraft	11 223 011	-	11 223 011	8 660 891	-	8 660 891
Loans	7 797 307	7 337 822	15 135 129	6 911 975	6 835 835	13 747 810
Total	19 020 318	7 337 822	26 358 140	15 572 866	6 835 835	22 408 701

A. Banks overdraft

	March 31, 2025	December 31, 2024
Less than one year	11 223 011	8 660 891
	11 223 011	8 660 891

B. Loans

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

	March 31, 2025	December 31, 2024
Less than one year	7 797 307	6 911 975
More than one year and less than five years	7 337 822	6 835 835
	15 135 129	13 747 810

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 29.19% and 8.44% respectively , the interest rate of EGP and USD 29.19% and 8.40% respectively during 2024.

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

27-Trade payables and other credit balances

	March 31, 2025	December 31, 2024
Trade payables	13 958 340	14 500 562
Other credit balances	717 913	189 040
Advances from customers	531 668	622 868
Tax Authority	165 861	59 838
Value added tax	224 955	213 581
Accrued expenses	2 021 565	2 251 380
Accrued interest expense	260 332	223 189
Retention from others	157 412	135 313
Notes payables	82 946	383 524
Finance Lease liability	137 828	131 115
Dividends payable	379 960	42 579
Deferred revenues	65 213	41 173
Due to clients for securitization	182 180	327 673
	18 886 173	19 121 835

28-Provisions

	Legal Claims	Warranty Provision	Other Provisions	Total
Balance at January 1, 2025	128 793	107 152	473 928	709 873
Provisions formed during the period	-	15 488	107 338	122 826
Provisions utilized during the period	-	(4 399)	(3 810)	(8 209)
Provisions no longer required	(232)	(4 277)	(57 494)	(62 003)
Effect of movement of exchange rates	(7)	(750)	(230)	(977)
Balance at March 31, 2025	128 554	113 214	519 742	761 510
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

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 March 31, 2025.

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 113 214 thousand at the end of the period for expected warranty claims (local component) in the light of management experience for repair and returns level in previous years the warranty provision includes a long-term provision amounted as at March 31, 2025 EGP 7 070 thousand (at December 31, 2024 EGP 7 070 thousand).

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

28-Provisions (Continued)

Other provisions

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

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

29-Financial risk management

1- Financial risk factors

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

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

A-Market risk

1.Foreign currency exchange rate risk

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

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

	March 31, 2025			December 31, 2024
	Assets	Liabilities	Net	Net
US Dollars	2 879 582	(6 078 798)	(3 199 216)	(4 107 528)
Euros	200 311	(134 652)	65 659	137 618
Other currencies	32 002	(115 740)	(83 739)	(182 113)

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 26,358,140 thousand Egyptian pounds on

March 31, 2025 (22,408,700 thousand Egyptian pounds on December 31, 2024). 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 3,936,090 thousand as at March 31, 2025 (EGP3,468,453 thousand as at December 31, 2024).

		March 31, 2025	December 31, 2024
Time deposits	USD	3 813 534	3 333 346
Time deposits	EUR	83 194	66 416
Time deposits	EGP	39 362	68 691
		<u>3 936 090</u>	<u>3 468 453</u>

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

B-Credit risk

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

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

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

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

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Notes and accounts receivables	23 330 093	20 763 676
Debtors and other debit balances	6 333 856	5 868 943
Due from related parties	256 311	257 978
Cash	8 343 262	7 422 549
Total	38 263 522	34 313 146
Expected credit loss for the above	693 826	684 020
The ratio of the expected credit loss to the total debts	1.81%	1.99%

C-Liquidity risk

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

D- Fair value estimation

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

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

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

30-Investments in subsidiaries

The consolidated interim 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	March 31, 2025	December 31, 2024
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 Alsaairat (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."(Liquidated)**	-	100.00%
Tires & More Company for Car Services "S.A.E."	100.00%	100.00%
Ready Parts for Automotive Spare Parts "S.A.E."	95.78%	95.78%
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%
Salexia L.T.D. Trading (Cyprus)	100.00%	100.00%
BBAL Blue Bay Auto Loan Investments Cyprus LTD (Under Liquidation)	100.00%	100.00%
GB Capital Securitization S.A.E.	100.00%	100.00%
GB for Import & export	100.00%	100.00%

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

GB Capital BV***	100.00%	100.00%
GB Real Estate Mortgage Finance BV	100.00%	100.00%
Transport Vehicle Distribution TVD S.A.E.	92.50%	92.50%
Automobilk S.A.E	83.00%	83.00%
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%	77.15%
GB Rental for Busses "S.A.E."	100.00%	100.00%
GB For Technology Solutions	100.00%	100.00%

* 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 Investments.

** 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.

31- Capital Commitments

The capital contractual expenditure of the Group at the consolidated financial statements date reached

EGP 494 668 thousand at March 31,2025 (EGP 674 864 thousand as at December 31, 2024) represented in the amount to be paid upon the completion of the new production lines under construction and other branches across the country.

32- Contingent 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:

	March 31, 2025	December 31, 2024
USD	5 011 862	4 285 158
EGP	1 759 371	1 736 400
Japanese Yen	272 482	199 010
Euro	210 155	326 234
Crona Swedish	76 379	72 169

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

33-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.

<u>Due from related parties</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>
El Bostan Holding	76 049	79 435
SIPAC – Algeria	37 377	37 064
Algematco – Algeria	80 151	79 480
MNT Investment B.V. Group	31 590	30 820
El Qalam Shareholders' Current Account	8 106	8 141
El Teriak Shareholders' Current Account	23 038	23 038
Total	256 311	257 978
Expected credit loss for due from related parties	(201 512)	(204 692)
	54 799	53 286

<u>Due to related parties</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Wahdan Company	2 058	2 058
	2 058	2 058

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

Related party name	Relation type	Transaction nature	Transaction amount	
			March 31, 2025	December 31, 2024
Executive BOD Members	Board of Directors	Top Management Salaries	23 707	72 807
MNT Investment B.V. Group	Associate	Cash transfers	770	(258 588)

34- Investment in associates

	Contribution percentage	December 31, 2024	Net Profit for the period	Additions	Dividends	March 31, 2025
MNT Investment B.V. Group (Netherlands) *	44.01%	11 378 583	36 052	-	-	11 414 635
Bedaia for Real estate Financing	33.33%	113 943	28 261	-	-	142 204
Kaf for life insurance	37.50%	105 747	(4 953)	-	-	100 794
		11 598 273	59 360	-	-	11 657 633

*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.

35-A Other investments with fair value through Comprehensive income

	Contribution percentage	March 31, 2025	December 31, 2024
Sky reality holding	7.49%	142 261	142 261
Seatr application	10.0%	2 000	2 000
Atlana company for car service	9.0%	500	500
Tawfiqia .com	10%	500	500
Mtor B.V.	10%	27 246	-
		172 507	145 261

*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.

35-B Investments in fair value through profit or losses

SME Credit Etaman "S.A.E." invested in "Themar" investment fund at the Qatar National Bank by purchasing 114 143 units during the year 2024. The unit price was 700.873 Egyptian pounds, with a total cost of 79 999 746 Egyptian pounds and the investment balance as of 31 March 2025 amounted 58 620 032 Egyptian pounds.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

36- Income statement according to expense nature

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Operating Revenue	16 760 453	9 006 184
Operating Cost	(14 007 790)	(6 442 636)
Gross Profit	2 752 663	2 563 548
Other income	126 522	119 252
Other Expenses	(23 121)	(14 356)
Expected Credit Losses	(17 101)	(25 615)
Gain from investment in associate	59 360	182 132
Interest income	103 399	96 884
Installment sales interest	16 241	6 535
Bank Expense	(122 334)	(71 060)
Interest expense	(713 795)	(400 745)
Employees salaries & benefits	(826 104)	(712 925)
Selling & Marketing	(131 890)	(32 646)
Rents	(88 586)	(17 587)
Net Profit / (Losses) foreign exchange transaction	32 308	(383 961)
Depreciation and Amortization	(115 728)	(70 316)
Consulting	(31 467)	(109 317)
Transportation	(11 004)	(8 099)
Vehicles expense	(18 609)	(14 681)
Governmental Fees & stamps	(26 123)	(19 681)
IT Expense	(45 329)	(23 508)
Other Expenses	(25 358)	(19 226)
Insurance	(17 003)	(8 841)
Security Expense	(12 596)	(7 684)
Training employees	(8 200)	(8 215)
Repair/Maintenance Expenses	(1 197)	(458)
Administration Supplies	(20 803)	(14 853)
Utilities	(9 582)	(5 783)
Donations & Public relation	(18 787)	(16 396)
Medical Fund	(41 566)	(17 896)
Freight	(4 295)	(8 226)
Net profit for the period before income tax	759 915	956 276

37- Securitized Operations

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 2025 transfer contracts issued amounted Zero from the total value 19 378 886.

<u>March 31, 2025</u>		<u>December 31, 2024</u>	
Total Value	Present Value	Total Value	Present Value
19 378 886	9 570 090	19 378 886	10 840 394

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

38-Bonds

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

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

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

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

March 31, 2025

	Total Value	Borrowing Cost	Converted from more than one year	Paid	Net
Installments Due within a year	356 923 077	(1 907 072)	240 534 160	(515 550 165)	80 000 000
Installments Over a year	343 076 923	(2 542 763)	(240 534 160)	-	100 000 000
Total	700 000 000	(4 449 835)	-	(515 550 165)	180 000 000

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

39 – Special Risk Reserve

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

Non-banking activities, and the balance on December 31, 2024, reached 20.3 million Egyptian pounds, and the balance of this reserve has been reversed during the first quarter of 2025 after obtaining the approval of the FRA.

40 – General Risk Reserve

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

41- 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.	311 141
---	---------

(2) Balance of net impairment of customers as recorded in the books and according to Egyptian accounting standards (expected credit losses).	(192 725)
--	-----------

The balance of reserve for financial solvency	<u>118 416</u>
---	----------------

42- Assets held for sale

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

43- Significant accounting policies

The following accounting policies that are adopted in the preparation of the consolidated interim 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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

(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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

1) Current income tax

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

2) Deferred tax

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

Deferred tax is not recognised for:

- a. Taxable temporary differences arising on the initial recognition of goodwill.,
- b. Temporary differences on the initial recognition of assets or liabilities in a transaction that is not: 1) business combination
and 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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

2) Subsequent expenditure

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

3) Depreciation

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

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

<u>Asset</u>	<u>Depreciation rate</u>
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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

J- Intangible assets and goodwill

1) Recognition and measurement

Goodwill:

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

Other intangible assets:

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

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

Computer software

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

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

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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

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

L - Financial instruments

EAS 47- Financial instruments

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

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

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

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

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

A three-stage approach is applied to measure expected credit losses for financial assets listed at cost. depreciated and debt instruments designated as Fair value through other comprehensive income. Assets are transferred through.

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

- Principle of these assets

- Stage one: 12-month expected credit losses.

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

- Stage two: Lifetime ECL - not credit-impaired

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

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

- **Measurement**

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

- **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.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

M- Share capital

1) Ordinary Shares

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

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

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

N- Provisions

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

1) Warranties

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

2) Legal Claims

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

3) Other Provisions

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

O- Leases

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

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

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

- With regard to the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present them as amounts receivable in an amount equal to the net investment in the lease contract.
For operating leases, the lessor must recognize lease payments from operating leases as income either on a straight-line basis or on any other regular basis.

Recognition and measurement

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

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

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

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

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

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

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

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

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

P- Segmental reports

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

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

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

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.

44 – Significant Events

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.

45- Subsequent Events

The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided in its meeting on Thursday, April 17, 2025, to cut the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation by 225 basis points to 25.00 percent, 26.00 percent, and 25.50 percent, respectively. It also decided to reduce the credit and discount rate by 225 basis points to 25.50%.