


GB Corp
(An Egyptian Joint Stock Company)

Standalone Interim Financial Statements
For The Financial Period Ended September 30, 2023
And Limited Review Report

 **Hazem Hassan**
Public Accountants & Consultants

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Translation of limited review report
Originally issued in Arabic

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Limited review report on Separate interim financial statements

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

Introduction

We have performed a limited review for the accompanying Separate balance sheet of GB Corp (S.A.E) as at September 30, 2023 and the related Separate statements of income and comprehensive income, changes in equity, and cash flows for the nine -month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim Separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim Separate financial statements based on our limited review.

Scope of Limited Review

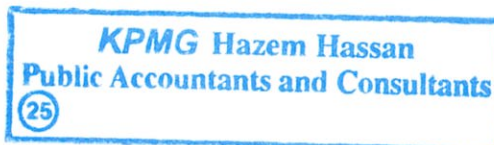
We conducted our limited review in accordance with Egyptian Standard on Review Engagements (no. 2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying Separate interim financial statements do not present fairly, in all material respects, the Separate financial position of the Company as at September 30, 2023 and of its financial performance and its cash flows for the nine -month then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo November 14, 2023

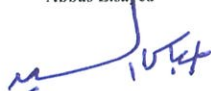


GB Corp
(An Egyptian Joint Stock Company)
Standalone Interim Statement of Financial Position
as of September 30, 2023

		30 September 2023	31 December 2022
	Note No.	EGP	EGP
<u>Assets</u>			
<u>Non-current assets</u>			
Payments under investment in subsidiaries	(15)	24 620 000	23 107 500
Investment in subsidiaries	(6)	2 143 545 614	2 112 637 615
Total non-current assets		2 168 165 614	2 135 745 115
<u>Current assets</u>			
Debtors and other debit balances	(7)	209 070 971	1 460 271
Due from related parties (Net)	(8)	210 736 021	505 142 040
Cash on hand and at banks	(9)	841 000	1 507 504
Total current assets		420 647 992	508 109 815
Total assets		2 588 813 606	2 643 854 930
<u>Equity</u>			
Issued and paid up capital	(10-A)	1 085 500 000	1 085 500 000
Legal reserve	(11)	66 762 249	66 762 249
Other reserves	(12)	1 143 287 400	1 143 287 400
Retained Earning		137 907 680	139 037 798
Total Equity		2 433 457 329	2 434 587 447
<u>Current liabilities</u>			
Creditors and other credit balances	(13)	155 356 277	209 267 483
Total Current liabilities		155 356 277	209 267 483
Total equity and liabilities		2 588 813 606	2 643 854 930

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

Group Chief Financial Officer and
Executive Board Member
Abbas Elsayed



Executive Board Member
Nader Ghabbour



**Limited Review report "attached"

GB Corp
(An Egyptian Joint Stock Company)
Standalone Interim Statement of Income
for the financial period ended 30 September 2023

Note No.	The nine Months ended 30, September		The three Months ended 30, September	
	2023	2022	2023	2022
	EGP	EGP	EGP	EGP
Charge expenses to subsidiaries	206 392 582	71 013 426	74 131 759	(11 959 769)
General and administrative expenses	(189 839 226)	(70 128 107)	(72 814 822)	12 406 874
Gross profit	16 553 356	885 319	1 316 937	447 105
Finance Cost	(16) (16 553 356)	(885 319)	(1 316 937)	(447 105)
Net profit for the period before income tax	-	-	-	-
Income tax (Current)	(1 130 118)	-	-	-
Net profit for the period after tax	(1 130 118)	-	-	-
Basic earning per share / (Losses)	(14) (0.001)	-	-	-

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

GB Corp
(An Egyptian Joint Stock Company)
Standalone Interim Statement of Comprehensive Income
for the financial Period ended 30 September 2023

	The nine Months ended 30, September		The three Months ended 30, September	
	2023	2022	2023	2022
	EGP	EGP	EGP	EGP
Comprehensive income items				
Net profit for the period after income tax	(1 130 118)	-	-	-
Total comprehensive income	(1 130 118)	-	-	-

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

GB Corp
(An Egyptian Joint Stock Company)
Standalone Interim Statement of Changes in equity
for the financial period ended 30 September 2023

	Issued and paid in capital	Treasury Bills	Legal reserve	Other reserves	Retained Earning	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Balance at December 31, 2021	1 094 009 733	(8 509 733)	66 762 249	1 143 287 400	602 711 655	2 898 261 304
Cancel treasury bills	(8 509 733)	8 509 733	-	-	-	-
Dividends Distributions	-	-	-	-	(455 910 000)	(455 910 000)
Net profit for the period	-	-	-	-	-	-
Balance at September 30, 2022	1 085 500 000	-	66 762 249	1 143 287 400	146 801 655	2 442 351 304
Balance at December 31, 2022	1 085 500 000	-	66 762 249	1 143 287 400	139 037 798	2 434 587 447
Net profit for the period	-	-	-	-	(1 130 118)	(1 130 118)
Balance at September 30, 2023	1 085 500 000	-	66 762 249	1 143 287 400	137 907 680	2 433 457 329

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

GB Corp
(An Egyptian Joint Stock Company)
Standalone Interim Statement of Cash Flow
for the financial period ended 30 September 2023

	Note No.	30 September 2023	30 September 2022
		EGP	EGP
Cash flow from operating activities			
Net profit for the period before tax		-	-
Adjustments for:			
Interest expense		363 862	234 265
Interest Income		(1 085)	-
		362 777	234 265
Changes in:			
Debtors and other debit balances		(207 610 700)	2 044 489
Due from related parties		294 406 019	594 755 664
Creditors and other credit balances		(53 911 206)	(108 772 950)
Dividends distributions to Employees and members of the board of directors		-	(75 985 000)
Cash provided from operating activities		33 246 890	412 276 468
Income tax paid		(1 130 118)	-
Net cash provided from operating activities		32 116 772	412 276 468
Cash flows from investing activities			
Payment under investment		(1 512 500)	(14 550 000)
Investment in subsidiaries		(30 907 999)	(17 216 010)
Interest income received		1 085	-
Net cash (used in) investing activities		(32 419 414)	(31 766 010)
Cash flows from financing activities			
Interest expense paid		(363 862)	(234 265)
Dividends paid		-	(379 925 000)
Net cash (used in) financing activities		(363 862)	(380 159 265)
Net Increase in cash and cash equivalents		(666 504)	351 193
Cash and cash equivalents at the beginning of the period		1 507 504	328 550
Cash and cash equivalents at end of the period	(9)	841 000	679 743

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

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

1- Background of the Group

GB Corp S.A.E an Egyptian joint stock 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 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, pick-ups, mechanical tools equipment for sail 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 or imported. The Group 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 approximately 63.38% of the Company's shares as at September 30, 2023.

The Standalone interim financial statements were authorized for issue by the Company's Board of Directors on November 14, 2023.

2- Basis of preparation of standalone financial statements

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

3- Consolidated financial statements

The company has subsidiaries and according to Egyptian Accounting Standard No. (42) "Consolidated Financial Statements" and Article 188 of the executive regulations of Companies Law No. 159 of 1981, the company prepares consolidated financial statements for the group, as it is necessary to refer to them to obtain an understanding of the financial position, business results and cash flows for the group.

4- Functional and presentation currency

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

5- Use of judgement and estimates

- In preparing the standalone financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- The recognition of the change in accounting estimates in the period in which the change in estimate, 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 estimate future costs of sale. The financial asset values determine 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 commitments.

- 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 evaluating method that leads to results can rely on 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.

6- Investment in subsidiaries

	Rate of contribution		<u>30/9/2023</u>	<u>31/12/2022</u>
	Direct	Indirect		
RG Investment "S.A.E."	99.99%	-	1 003 306 970	1 003 306 970
International Trade Agencies and Marketing Co. (ITAMCO) "S.A.E."	9.21%	90.79%	318 141 120	318 141 120
GB Global Company	100%	-	773 973 515	773 973 515
International Company For car components (S.A.E)	51%	-	15 300 000	15 300 000
GB Automotive For Trade and Manufacture	0.0000036%	99.999%	10	10
GB Kenya	100%	-	25 023 500	1 916 000
Automobilk S.A.E	20%	65%	7 800 499	-
			2 143 545 614	2 112 637 615

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

- Investments in the International Company for Trade, Marketing and Commercial Agencies "Itamco" were classified under investments in subsidiaries, where the group controls the investee when it is exposed to or entitled to variable returns through its participation and its ability to influence returns through its power over the investee. This company is owned directly by 9.21% of GB Corp (GB Auto previously) and by 90.79% indirectly through subsidiaries.
- Investments in GB Automotive for Automotive Trading and Industry have been classified under investments in subsidiaries, where the group controls the investee when it is exposed to or entitled to variable returns through its participation and its ability to influence returns through its power over the investee, as this the company is owned directly by 0.0000036% of GB Corp (GB Auto previously) and by 90.79% indirectly through subsidiaries.
- Investments in Automotive Company for car trading have been classified under investments in subsidiaries, where the group controls the investee when it is exposed to or entitled to variable returns through its participation and its ability to influence the returns through its power over the investee, as this company is directly owned by 20% to GB Corp (GB Auto previously) and 65% indirectly through subsidiaries.

7- Debtors and other debit balances

	<u>30/9/2023</u>	<u>31/12/2022</u>
Advance Payments	162 221	152 221
Withholding tax	142 877	224 926
Prepaid Expense	501 260	925 433
Other debit balances	1 872 031	157 691
Due from expenses charged to subsidiaries	206 392 582	-
	<u>209 070 971</u>	<u>1 460 271</u>

8- Transactions with related parties

Related parties represent the company's shareholders and companies in which the company and/or shareholders directly or indirectly own shares that give them the right to control or exercise a strong influence over these companies. The following are the balances of the related parties, explained in the following statement:

<u>Due from related parties</u>	<u>30/9/2023</u>	<u>31/12/2022</u>
RG Investment "S.A.E."	61 670 544	1 739 590 413
Al Watania for car accessories and spare parts	-	50
GB Capital Holding for Financial Investments "S.A.E."	171 300 527	231 205 797
GB Auto Rental For Transportation "S.A.E."	327 273	134 513
GB Company for Financial Lease and Factoring "S.A.E."	521 909	201 282
Drive for Car Trading "S.A.E."	178 148	75 982
Drive for Financing and Non Banking Service "S.A.E."	635 475	306 669
Automobilk S.A.E	-	216 514
Masters Automotive Company "S.A.E."	341 578	194 831
Mashroey Trading "S.A.E."	311 496	133 462
GB Polo Buses Manufacturing "S.A.E."	-	328 100
Rassedey S.A.E.	300 186	149 964
Tires & More Company for car Services "S.A.E."	-	77 367
MNT Tech "S.A.E."	176 535	74 982
Transport Vehicle Distribution TVD S.A.E.	396 346	227 094
Ready Parts for Automotive Spare Parts "S.A.E."	-	224 905
Tasaheel for Financing Company "S.A.E."	10	133 462
Halan for Information Technology	176 535	74 982
Egyptian International Maintenance and Cars Manufacturing Company EIAC "S.A.E."	-	75 668
Engineering Company for Transportation Maintenance (El Mikanecky)	267 145	165 591
GB Kenya	17 036 835	2 379 869
Halan Consumer Finance "S.A.E."	101 554	-
Talabiya For Distribution	48 668	-
	<u>253 790 764</u>	<u>1 975 971 497</u>

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023

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

Transactions with related parties

Type of transaction

	Beg. Balance	Expense paid on behalf	Shared Expenses	Transfer / Clearing Balances	Forex	Ending Balance
International Trade Agencies and Marketing Co. (ITAMCO) "S.A.E."	(1 083 233 402)	(152 349 773)	1 869 474	1 216 621 296	-	(17 092 405)
RG Investment "S.A.E."	1 739 590 413	-	46 469	(1 677 966 338)	-	61 670 544
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt) "S.A.E."	(346 944 363)	(27 690 540)	1 395 108	349 370 437	-	(23 869 358)
Ghabbour Continental Trading Co. (GCT) -Alex "S.A.E."	(38 698 191)	(1 119 490)	86 881	48 164 985	(10 527 165)	(2 092 980)
GB Capital Holding for Financial Investments "S.A.E."	231 205 797	-	3 804 429	(63 709 699)	-	171 300 527
GB Logistics "S.A.E."	(726 810)	-	193 598	533 212	-	-
Egypt Auto Mall Company for Used Car "S.A.E."	(151 162)	-	146 636	4 526	-	-
Ready Parts for Automotive Spare Parts "S.A.E."	224 905	-	154 079	(378 984)	-	-
Haram Company for Transportation and Trading "S.A.E."	(761 246)	-	148 164	613 082	-	-
Al Watania for car accessories and Spare parts	50	-	-	(50)	-	-
GB for Import & Export	(314 273)	-	267 062	47 211	-	-
Halan for Information Technology	74 982	-	-	101 553	-	176 535
GB Company for financial lease and Factoring "S.A.E."	201 282	-	320 627	-	-	521 909
GB Polo Buses Manufacturing "S.A.E."	328 100	-	221 270	(549 370)	-	-
GB Auto Rental For Transportation "S.A.E."	134 513	-	192 760	-	-	327 273
Mashroey Trading "S.A.E."	133 462	-	178 034	-	-	311 496
Drive for Financing and Non Banking Service "S.A.E."	306 669	-	275 922	52 884	-	635 475
Drive for Car Trading "S.A.E."	75 982	-	155 050	(52 884)	-	178 148
Masters Automotive Company "S.A.E."	194 831	-	146 747	-	-	341 578
Tires & More Company for Car Services "S.A.E."	77 367	-	48 196	(125 563)	-	-
MNT for SME Development "S.A.E."	74 982	-	101 553	-	-	176 535
Tasaheel for Financing Company "S.A.E."	133 462	-	178 034	(311 486)	-	10
Rassedy S.A.E.	149 964	-	150 222	-	-	300 186
Halan Consumer Finance S.A.E	-	-	101 534	-	-	101 534

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023

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

Egyptian International Maintenance and cars Manufacturing Company EIAC "S.A.E."	75 668	-	46 235	(121 903)	-	-
Engineering Company for transportation maintenance El Mikaneeky	165 591	-	101 554	-	-	267 145
Automobilk S.A.E	216 514	-	158 522	(375 036)	-	-
Transport Vehicle Distribution TVD S.A.E.	227 094	-	169 252	-	-	396 346
GB Global BV	(10)	-	-	10	-	-
GB Kenya	2 379 869	-	14 656 966	-	-	17 036 835
Talabiya For Distribution	-	-	48 668	-	-	48 668

Other

The company charges some of its subsidiaries with its administrative, selling, marketing and financing expenses, and what was charged during the period amounted to an amount 206 392 582 Egyptian pounds until September 30, 2023 (compared to an amount of 71 013 426 Egyptian pounds until September 30, 2022).

9- Cash on hand and at banks

	<u>30/9/2023</u>	<u>31/12/2022</u>
Cash on hand	32 455	-
Cash at banks	808 545	1 507 504
	<u>841 000</u>	<u>1 507 504</u>

10- Capital

A- Issued and paid capital

- The company's authorized capital is 5 billion Egyptian pounds (five billion Egyptian pounds).
- The issued and paid up capital is 1 085 500 000 Egyptian pounds distributed over 1 085 500 000 shares with a nominal value of one pound per share (one pound per share).
- 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 82 973 195 EGP 135 337 545 after the increase divided on 135 337 545 shares with a par value of 1 EGP/share, and this increase financially fully paid from the special reserve balance and annotated in the commercial register at December 31, 2014.

Private placement (capital increase)

At the date of February 4, 2015, the extra ordinary general assembly meeting, has agreed to increase the Company's authorized capital from 400 million EGP to 5 billion EGP and to increase the Company's issued capital from EGP 135 337 545 to be EGP 1 095 337 545 with an increase of EGP 960 000 000 to be divided on 1 095 337 545 shares with a par value of 1 EGP each. (In addition to issuance cost of 1 pts./share), and that increase to be fully allocated for the favor of

old shareholders each according to their share in the Company's issued capital , and it is agreed to use the subscription right separately from the original share, with the Company's issued capital increase to be paid either cash and/or using due cash debts for the subscriber by the Company according to their contribution share.

- This increase was subscribed for in the amount of 958 672 188 Egyptian pounds (the amount of 473 225 502 Egyptian pounds in cash and the amount of 485 440 686 EGP financing from the account through the current account credited to the shareholders) divided by a number 958 672 188 shares at 1 Egyptian pound per share, so that the issued and fully paid-up capital after the increase becomes 1 094 009 733, and this was noted in the commercial register on May 31, 2015.
- The Extraordinary General Assembly unanimously agreed on June 5, 2022 to destroy 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 noted 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.

B- Treasury Bills

- On March 1, 2020, the Board of Directors of the company decided to purchase treasury shares with an 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) bis 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 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 million 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.

11- Legal Reserve

	<u>30/9/2023</u>	<u>31/12/2022</u>
Legal Reserve	66 762 249	66 762 249

- In accordance with the Companies Law No 159 of 1981 and the Company's articles of association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the board, the Company may stop such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.
- The issuance premium has been transferred to both the legal reserve and the special reserve in accordance with the requirements of Law No. 159 of 1981 based on the approval of the Ordinary General Assembly on March 29, 2008.

12- Other Reserves

Other reserves represent what has been transferred from the issuance premium in accordance with the requirements of Law No. 159 of 1981.

	Fair value reserve for reward and incentive system incentive shares	Issuance premium (special reserve)	Total
	88 882 300	1 054 405 100	1 143 287 400
Balance at September 30, 2023	88 882 300	1 054 405 100	1 143 287 400

Share Premium

The share premium represented in the difference between the amount paid and par 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.. The share premium was transferred to both the legal reserve and the special reserve in accordance with the requirements of Law No. 159 of 1981 based on the approval of the Ordinary General Assembly on March 29, 2008. During the year 2020, the company sold 2 million shares, with a total value of 6.75 million Egyptian pounds, which resulted in a reduction of 2 million Egyptian pounds. This represents the nominal value of the share. The difference between the sale value and the nominal value of 4.75 million Egyptian pounds was recorded in other reserves.

During the period from January 1, 2021 to March 31, 2021, the company sold 8 million shares with a total value of 22.232 million Egyptian pounds, which resulted 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 nominal value of 30.171 million Egyptian pounds recorded in other reserves.

	<u>30/9/2023</u>	<u>31/12/2022</u>
Balance at 1 January	1 054 405 100	1 054 405 100
Balance at September 30, 2023	1 054 405 100	1 054 405 100

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023

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

13- Creditors and other credit balances

	<u>30/9/2023</u>	<u>31/12/2022</u>
Tax authority	600 921	792 430
Trade payables	588 025	2 473 660
Accrued expenses	153 152 232	203 536 444
Other credit balances	516 661	2 089 769
Notes Payables	498 438	375 180
	<u>155 356 277</u>	<u>209 267 483</u>

14- Earnings per share / (Losses)

Basic earnings / (Losses) per share is calculated by dividing net losses for the period by the weighted average number of ordinary shares issued during the period.

	<u>30/9/2023</u>	<u>30/09/2022</u>
Net profit for the period	(1 130 118)	-
Weighted average number of ordinary shares issued	1 085 500 000	1 085 500 000
Earnings (Losses) /per share	<u>(0.001)</u>	<u>-</u>

15- Payment under investment

	<u>30/9/2023</u>	<u>31/12/2022</u>
GB Kenya	24 620 000	23 107 500
	<u>24 620 000</u>	<u>23 107 500</u>

16- Finance cost

	<u>30/9/2023</u>	<u>30/9/2022</u>
Interest Income	1 085	-
Total Finance Income	<u>1 085</u>	<u>-</u>
Interest expense and bank charges	(363 863)	(234 265)
Foreign exchange loss	(16 190 578)	(651 054)
Total Finance Cost	<u>(16 554 441)</u>	<u>(885 319)</u>
Net Finance Cost	<u>(16 553 356)</u>	<u>(885 319)</u>

17- Unrecognized Deferred tax assets

	<u>30/9/2023</u>	<u>31/12/2022</u>
Unrealized foreign currency revaluation losses	4 027 982	1 746 867

18- Tax position

First: Tax on the profits of legal persons:

- The company is subject to the provisions of the income tax law promulgated by Law No. 91 of 2005 and its executive regulations.
- The company submits tax returns on legal dates.
- The company was inspected and paid until 2019.
- Not requested for examination years from 2020 to 30 September 2023.

Second: Added Value:

- Completed, settled and paid until 2020.
- Not requested for examination years from 2021 to 30 September 2023.

Third: Business tax gain:

- The tax is deducted monthly and is supplied to the tax authority regularly.
- Completed, settled and paid for until 2020.
- Not requested for examination years from 2021 to 30 September 2023.

Fourth: Discounted Tax:

- The second term has been paid for the year 2023.
- It was not requested for examination from the beginning of the activity until September 30, 2023.

Fifth: Stamp Duty:

- The company is committed to the provisions of the stamp tax law and is supplied on the legal dates.
- The examination and payment have been completed until 2017.
- Examination is underway for the years 2018/2019.
- Not requested for examination years from 2020 to 30 September 2023.

19- Financial risk management

19-1 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 efforts are addressed to minimize potential adverse effects of such risks on the Group's financial performance.
- The company does not use any derivative financial instruments to cover specific risks.

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 transactions, assets and liabilities in foreign currency outstanding at the consolidated balance sheet date, and also, net investments in foreign entity.

2. Price risk

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

3. Cash flows and fair value interest rate risk

The Company is exposed to fair value risk arising from the valuation of long-term, fixed-interest notes.

B- Credit risk

- Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as credit exposure to wholesalers and retail customers, including outstanding accounts and notes receivable.
- For banks, the Group deals with the banks which have a high independent rating and banks with a good solvency in the absence of an independent credit rating.

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.

19-2 Capital Risk 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.

- The company's management monitors the capital structure using the ratio of net loans to total capital. Net loans are represented in total creditors and other credit balances and borrowings minus cash and cash equivalents. Total capital is represented by the company's total equity as shown in the independent balance sheet plus net borrowings.
- The gearing ratio at September 30, 2023 and December 31, 2022 restated were as follows:

	<u>30/9/2023</u>	<u>31/12/2022</u>
Creditors and other credit balances	155 356 277	209 267 483
(Deduct): Cash	(841 000)	(1 507 504)
Net Loans	154 515 277	207 759 979
Equity	2 433 457 329	2 434 587 447
Net debt to equity ration	0.063	0.085

Fair value estimation

- The fair value of financial assets or liabilities with maturity dates less than one year is assumed to approximate their carrying value less any estimated credit adjustments. The fair value of financial liabilities – for disclosure purposes – is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
- 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 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.

20- Contingent liabilities

There are no contingent liabilities during the period.

21- Capital Commitments

There are no capital commitments during the period.

22- Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are summarized below:

22-1 Foreign currency transactions

Foreign transactions in the Company's functional currency are translated at the exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the date of the financial statements.

Assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate used when determining the fair value.

Generally, currency differences are recognized in profit or loss. Excluding, currency differences arising from translation are recognized in other comprehensive income.

22-2 Investments in subsidiaries

Investments in subsidiaries are accounted for using the cost method, where investments in subsidiaries are recorded at acquisition cost less impairment in value. The impairment is estimated for each investment separately and is recorded in the income statement. Subsidiaries are companies controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns through its involvement and ability to affect the returns through its power over the investee.

22-3 Financial Instruments

1- Recognition and initial measurement

Initially issued clients and debt securities are recognized at their inception. All other financial assets and liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless clients without a significant funding component) or financial liability is initially measured at fair value plus, for an item not fair value through profit or loss, transaction costs directly attributable to its acquisition or issuance. Debt customers without an important funding element are initially measured by the transaction price.

2- Subsequent classifications and measurements

Financial assets-

Upon initial recognition, the financial asset is classified and measured at amortized cost, at fair value through other comprehensive income – debt securities, at fair value through other comprehensive income – equity instruments, or fair value through profit or loss. Financial assets are reclassified after initial recognition only if the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the initial reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not allocated at fair value through profit or loss:

- If the holding of these assets is within the management business model for the purpose of collecting future cash flows.
- If the contractual terms of these financial assets specify a certain date for cash flows (principal amount and interest on the remaining principal and unpaid amount).

Debt instruments are measured at fair value through other comprehensive income if they meet the following conditions and if they are not previously classified as financial assets at fair value through the statement of profit or loss:-

- If the holding of these assets within the management business model includes both the collection of future cash payments and the sale of financial assets.
- If the contractual terms of these financial assets specify a specific date for cash flows (principal and interest on the remaining and unpaid principal amount).

Upon initial recognition of proprietary instruments not held for trading, the Company may adjustably choose to display subsequent changes in the fair value of such investments in the statement of other comprehensive income so that such selection is made for each investment separately.

All financial assets that are not measured at amortized cost or fair value through the above statement of other combined comprehensive income must be measured at fair value through the consolidated profit or loss statement and this includes all derivatives of financial assets. Upon initial recognition, the Company has the possibility to irrevocably choose to classify and measure financial assets at fair value through the statement of profit or loss and other consolidated comprehensive income if this substantially reduces the accounting incompatibilities that may arise.

Financial Assets - Business Model Valuation:

The company assesses the objective of the business model in which the financial asset is held at the portfolio level as this reflects the best way to manage the business and provide information to management. Information considered includes:

- Policies and specific objectives of the portfolio and the operation of those policies in practice. This includes whether management's strategy focuses on generating contractual interest income, maintaining a certain form of interest rate, matching the duration of financial assets with the duration of any related liabilities or cash outflows or generating cash flows through the sale of assets and
- to evaluate the performance of the portfolio and report to the company's management about it and
- Risks that affect the performance of the business model (and the financial assets held within the business model) and how these risks are managed.
- how activity managers are compensated – for example whether compensation is based on the fair value of the assets under management or the contractual cash flows collected; and

- The frequency, volume, and timing of sales of financial assets in previous periods, the reasons for these sales and expectations related to future sales activity.

Transfers of financial assets to third parties in transactions that are not eligible for cancellation are not considered sales for this purpose, consistent with the Company's ongoing recognition of assets.

Financial assets held for the purpose of trading or managed and whose performance is valued on the basis of fair value are measured at fair value through profit or loss.

Financial assets - assess whether contractual cash flows are only payments for principal amount and interest:

For the purposes of this valuation, "Principal of the amount" is defined as the fair value of the financial asset upon initial recognition. "Interest" is defined as the time value of money and credit risk associated with the principal amount due over a specified period of time and to other underlying lending risks and costs (such as liquidity risk and administrative costs), as well as a profit margin.

When estimating whether contractual cash flows are payments for principal amount and interest only, the Company considers the contractual terms of the instrument. This includes assessing whether a financial asset has a contractual term that can change the timing or amount of contractual cash flows so that it does not meet this requirement. In making this assessment, the Company shall consider the following:

- contingencies that change the amount or timing of cash flows.
- Terms that may modify the contractual coupon rate, including the characteristics of the variable rate.
- advance payment and extension features; and
- Conditions that limit the company's claim to cash flows from specific assets (e.g., the qualities of the right of non-recourse).

The cash payment class corresponds to principal and interest payments only if the amount of the advance payment largely represents the unpaid amounts of principal and interest on the outstanding principal amount, which may include reasonable additional compensation for early termination of the contract. In addition, for a financial asset obtained at a discount or premium to its contractual amount, a description that allows or requires advance payment in an amount that is substantially the contractual nominal amount plus contractual interest due (but unpaid) (which may also include reasonable additional amounts to be treated with early termination compensation) consistent with this standard if the fair value of the advance payment row is irrelevant at initial recognition.

Financial assets - subsequent measurement, profit, and loss:

Financial assets classified at fair value through profit or loss	Financial assets valued at fair value are measured by gains or losses at fair value and changes in fair value are recognized including any returns or dividends in profits or losses.
Financial assets recognized at depreciated cost	These assets are then measured at amortized cost using the actual interest method. The depreciated cost is reduced by decay losses. Interest income, foreign exchange gains and losses, and impairment in profit or loss are recognized. Any profit or loss when excluded is calculated in profit or loss.
Investments in equity instruments measured at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Dividends are recognized as profit or loss revenue unless dividends clearly represent a partial recovery of the cost of the investment. Other net profit and loss are recorded in other comprehensive income and are never reclassified as profit or loss.
Debt instruments measured at fair value by other comprehensive income.	These assets are subsequently measured at fair value. Calculated interest income is calculated using the effective interest method, foreign exchange gains and losses, and impairment of profit or loss. Net other profit and loss is recorded in the statement of other comprehensive income. Upon exclusion, the profit and loss accumulated in the income statement is reclassified to profit or loss.

22-4 Impairment

1) Non-derivative financial assets

Financial instruments and assets arising from the contract.

The Company recognizes the provision for loss for expected credit losses for:

- Financial assets that are measured at depreciated cost;
- Investments in debt instruments that are measured at fair value by other comprehensive income.
- Assets arising from the contract.

The Company measures provisions for loss in an amount equal to the expected credit losses over the life of the financial asset, except for the following, which are measured in an amount equal to the expected credit losses for a period of 12 months:

- Debt instruments identified to have low credit risk at the reporting date; and
- Other debt instruments and bank balances in which credit risk (i.e., the risk of default over the expected life of the financial instrument) has not increased significantly since the initial recognition.
- Provisions for losses of commercial clients and assets arising from contracts are always measured in an amount equal to the expected credit losses over their lifetime.

In determining whether the credit risk of a financial asset has increased significantly since the initial recognition and when estimating expected credit losses, the Company shall consider reasonable and supportive information that is relevant and available at no cost or undue effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and the assessment of known credit including future information.

The Company assumes that the credit risk of the financial asset has increased significantly if it has been due on its collection for a period of more than 30 days.

The Company considers that the financial asset has failed to pay when:

- The Borrower is unlikely to pay its fiduciary obligations to the Group in full, without the Company resorting to actions such as liquidation of collateral (if any); or
- The financial asset is more than 90 days old.

The Company considers debt instruments to have low credit risk when their credit risk rating is equal to the universally understood definition of "investment grade".

Expected credit losses over the life of an asset are expected credit losses that result from all possible failure events over the expected life of a financial instrument.

Expected credit losses over a period of 12 months are part of the expected credit losses that result from failure events that are possible within a period of 12 months after the reporting date (or a shorter period if the life expectancy of the instrument is less than 12 months).

The maximum period to be considered when estimating expected credit losses is the maximum contractual period in which the company is exposed to credit risk.

Measuring expected credit losses

It is a weighted estimate of probabilities for credit losses. The present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity according to the contract and the cash flows that the company expects to receive) is measured.

Expected credit losses are deducted at the effective interest rate of the financial asset.

Credit-diminished financial assets

At the date of each report, the Company assesses whether the financial assets listed at amortized cost and debt instruments measured at fair value through other comprehensive income have impaired in credit value. A financial asset is considered a "credit impairment", when one or more events occur that have a detrimental effect on the estimated future cash flows of the financial asset.

Evidence of degeneration of financial assets includes monitorable data:

- A great financial difficulty for the lender or issuer and
- Contract violation such as failure or being in arrears for a period greater than 90 days and
- restructuring of a loan or advance by the Company on terms that the Company will not observe in any way or another; and
- the borrower is likely to enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for securities due to financial difficulties.

View provision for expected credit losses in statement of financial position

The provision for losses for financial assets that are measured at depreciated cost is deducted from the total amount of book value of the assets.

For securities in debt securities that are measured at fair value by other comprehensive income, the provision for loss is charged to profit or loss and is recognized in other comprehensive income.

Write off

The total carrying amount of a financial asset is written off when the company does not have reasonable expectations for the recovery of all or part of the financial asset. For individual clients, the Company has a policy of destroying the total book value when the financial asset is due for more than two years based on previous experience in recovering similar assets. For corporate clients, the Company makes an individual assessment regarding the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company does not expect any significant refund of the written off.

However, financial assets that have been written off may still be subject to commitment activities in order to comply with the Company's procedures for recovering outstanding amounts.

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 coverage will be measured in the future.

22-5 Lease Contracts

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 usufruct right of the leased asset within the company's assets and also recognizes a liability, which represents the present value of the unpaid lease payments within the company's obligations, taking into account that Leases for the lessee are not classified as an operating lease or as a finance lease. There are optional exemptions for short-term and low-value leases.

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

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

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

Recognition and measurement

- At the inception of the contract, the company evaluates whether the contract contains lease arrangements. For such lease arrangements, the company recognizes usufruct assets 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 usufruct assets 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 usufruct assets 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.
- 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.

22-6 Cash and Cash Equivalents

- Overdraft bank balances are displayed under loans and advances as part of current balance sheet obligations.
- For the purposes of presenting the statement of cash flows, cash and cash equivalents include cash in the treasury, demand deposits with banks and treasury bills whose maturity period does not exceed three months from the date of deposit.

22-7 Capital

A- Common Shares:

Transaction costs directly related to the issuance of common shares are accounted for by deducting them from equity. Income tax related to equity-related transaction costs is accounted for in accordance with Egyptian Accounting Standard No. (24) "Income Taxes".

B- Repurchase and reissue of ordinary shares (treasury shares):

Upon repurchase of issued share capital, the amount paid for the repurchase, which includes all direct costs related to the repurchase, is recognized as a reduction in equity. Purchased shares are classified as treasury shares and offered as deducted from equity. When selling or reissuing treasury shares, the amount collected is recognized as an increase in shareholders' equity and the surplus or deficit resulting from the transaction is displayed in the issuance premium.

22-8 Employee Benefits

A- Short-term employee benefits

Short-term employee benefits are recognized as an expense when the relevant service is provided. The amount expected to be paid is recognized as an obligation when the company has a legal or implied obligation to pay this amount as a result of the worker providing a previous service, and the obligation can be assessed to a reliable degree.

B- Share-based payments

The fair value (at the date of grant) of equity-based payment transactions made in the form of equity instruments is recognized as an expense and as a corresponding increase in equity during the maturity period. The amount recognized as an expense is adjusted to reflect the number of grants for which the relevant services and performance conditions are expected to be met, so that the amount ultimately recognized is based on the number of equity instruments granted that have met the relevant terms of service and non-market performance conditions at the maturity date.

For the granting of equity instruments on non-maturity terms, the fair value (as at the date of grant) of equity-based payment transactions paid in equity instruments is measured to reflect those terms and there is no subsequent adjustment to the differences between the expected and achieved results.

C- Benefits of a specific subscription

The obligations of the Defined Subscription Benefit Schemes are recognized as an expense upon the provision of the relevant service. Contributions paid in advance are recognized as an asset to the extent that the advance payment leads to a reduction in future payments or a cashback.

The company contributes to the government social insurance system for the benefit of its employees in accordance with the Social Insurance Law No. 79 of 1975. Employees and employers under this Law shall contribute to the system with a fixed percentage of wages. The company's obligation is limited to the value of its contribution, and the company's contributions shall be borne by profits or losses on the accrual basis.

D- Termination benefits

The Company recognizes termination benefits as an expense on one of the following two dates, whichever comes first, when the Company can no longer cancel the offer of such benefits or when the Company recognizes restructuring costs. Where benefits are not expected to be fully settled within 12 months after the date of the financial statements, they must be discounted at a discount rate – before taxes – to reflect the time value of the money.

22-9 Provisions

- The provision is determined by the present value of projected future cash flows discounted by a pre-tax discount rate that reflects current market estimates of the time value of money and the specific risk of the liability. The increase in the book value of the provision resulting from the use of the discount to find the present value and that reflects the passage of time is recognized as a borrowing cost.
- The legal claims allowance is recognized when there are legal claims against the company and after obtaining appropriate legal advice.
- Recognition of other provisions when there are expected claims from other parties in relation to the company's activities, in accordance with the latest developments, discussions and agreements with those parties.

22-10 Revenue Generation

A- Revenue from service

Service revenue is recognized when they are provided to customers and no revenue is recognized in the event of uncertainty of refund against such revenue or associated costs.

B- Leasing Income

Rental income is recorded on a straight-line basis over the lease period

C- Interest income

Interest is recognized on an accrual basis taking into account the duration of time and the effective interest rate.

D- Commission revenue

Commission income is recognized by the statement of profits or losses grouped according to the accrual basis.

E- Distributions

Distribution revenue is recognized in the consolidated profit or loss statement on the date on which the Company is entitled to collect such distributions.

F- Revenue from sale of goods

Revenues are recognized when control of the ownership of the goods sold is transferred to the buyer when ensuring the recovery of the value of these goods and estimating the associated costs as well as the return from them in a reliable manner, with the inability of management to cause any subsequent impact on the goods sold, and with the possibility of measuring revenue in a reliable way, and in the case of export sales, the transfer of control of the goods sold is determined according to the terms of shipping.

G- Profit from sale of investment

Profits from the sale of financial investments are recognized immediately upon receipt of evidence of the transfer of ownership to the buyer on the basis of the difference between the sale price and their book value on the date of sale.

H- Revenue from contracts with customers

Egyptian Accounting Standard No. (48) sets out a comprehensive framework for determining the value and timing of revenue recognition, and this standard replaces the following Egyptian accounting standards (Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts"), revenue is recognized when the customer can control units or services. Determining the timing of the transfer of control – over a period of time or at a point in time – requires a degree of personal judgment.

Revenue Recognition

Due to the nature of the Company's activities, as well as the Company's current accounting policies, the impact of Egyptian Accounting Standard No. 48 on revenue recognition by the Group will be non-material.

Costs of obtaining a contract with the client

Under Egyptian Accounting Standard 48, certain additional costs incurred to obtain a contract with a client ("contract costs"), which were not previously eligible for recognition as an asset under any of the other accounting standards, have been deferred in the consolidated statement of financial position.

The capitalization effect of contract costs resulting from the application of Egyptian Accounting Standard No. 48 is shown.

22-11 Income Taxes

Current tax and deferred tax are recognized as revenue or as an expense in the profits or losses of the period, except where the tax arises from an operation or event recognized – in the same period or in a different period – outside profits or losses, whether in other comprehensive income or directly within equity.

1- Current income tax

Current taxes for the current and previous periods that have not yet been paid are recognized as an obligation, but if the taxes already paid in the current and previous periods exceed the value due for these periods, this increase is recognized as an asset. The values of current tax liabilities for the current and prior periods are measured at the value expected to be paid to (recovered from) the tax administration, using the tax rates (and tax laws) in force or in the process of being issued on the date of the end of the financial period. Dividends are taxable as part of current tax. Clearing tax assets and liabilities is carried out only when certain conditions are met.

2- Deferred Tax

Deferred tax is recognized for temporary differences between the accounting basis of assets and liabilities and the tax basis of those assets and liabilities. Except for the following:

- The first recognition of fame,
- or the initial recognition of the origin or obligation of the process that:

(1)Not a business assembly.

and (2) does not affect the net accounting profit or tax profit (tax loss).

A deferred tax asset arising from the carry-over of tax losses, the right to unused tax deduction and temporary deductible differences are recognized when there is a strong possibility of future taxable profits from which that asset can be used. The future tax profit is determined by the company's future business plan. The position of deferred tax assets that are not recognized at the end of each fiscal period is reassessed and deferred tax assets that have not previously been recognized are recognized to the extent that in the future it is likely that there will be a tax profit that allows the value of the deferred tax asset to be absorbed.

Deferred tax is measured using the tax rates expected to be applied when temporary spreads are achieved.

When measuring deferred tax at the end of the financial period, the tax effects of the company's procedures for recovery or payment of the book value of its assets and liabilities are considered. Clearing tax assets and liabilities is carried out only when certain conditions are met.

22-12 Dividends

Dividends shall be recognized in the standalone financial statements in the year in which such distributions are approved by the General Assembly of Shareholders.

22-13 Comparative Figures

Comparative figures are reclassified as often as necessary to correspond to changes in supply used in the current period.

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023

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

22-14 New versions and amendments to the Egyptian Accounting Standards:

On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	<p>1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets.</p> <ul style="list-style-type: none"> - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Leasing Contracts" <p>2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested.</p> <ul style="list-style-type: none"> - The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented. - The company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest 	<p>Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.</p> <p>Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.</p>

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements
	<p>period presented in the financial statements for the period in which the company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.</p>	
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	<p>1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property.</p> <p>2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" 	<p>Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.</p>

GB Corp (S.A.E)

Notes to the standalone interim financial statements for the financial Period ended September 30, 2023

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

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements
	<ul style="list-style-type: none"> - Egyptian Accounting Standard No. (49) "Leasing Contracts" 	
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<ol style="list-style-type: none"> 1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ". 	<p>Management is currently evaluating the potential impact on the financial statements from the application of the standard.</p>

23- Significant Events

- 1- On May 16, 2023, Prime Minister Decision No. 1847 of 2023 was issued to replace the texts of paragraphs 5 / (c), (7), (9) of Appendix (c) accompanying the Egyptian Accounting Standard No. (13) related to "The Effects of Changes in Exchange Rates." Foreign currencies" added to the Prime Minister's Resolution No. 4706 of 2022, the following texts:

Paragraph 5 / (c): The financial period for applying the special accounting treatment mentioned in this appendix is the fiscal year or period that begins before October 27, 2022, the date of the exchange rate move, and ends on or after this date, and the following fiscal period or year.

Paragraph (7): An entity that, prior to the date of moving the exchange rate, may acquire fixed assets, real estate investments, exploration and evaluation assets, intangible assets (other than goodwill) and usufruct assets for lease contracts, financed by commitments. Listed on that date in foreign currencies, to recognize within the cost of those assets the debit currency differences resulting from the settled part of these obligations during the financial period for applying this special accounting treatment, in addition to the currency difference resulting from translating the remaining balance of these obligations at the end of December 31 2023 or at the end of the closing date of the financial statements for the financial period to apply this special accounting treatment, using the exchange rate used on that date. The facility can apply this option for each asset separately.

Paragraph (9): As an exception to the requirements of Paragraph No. "28" of the amended Egyptian Accounting Standard No. (13) "The effects of changes in foreign exchange rates for the recognition of currency differences, the establishment whose business results were affected by the net profits or losses of currency differences as a result of moving the price of Foreign exchange, whether the currency of its entry is the Egyptian pound or any other foreign currency, to recognize within the items of other comprehensive income the net debit and credit currency differences realized during the period, in addition to the differences resulting from retranslating the balances of the existing monetary items At the end of

December 31, 2023 or at the end of the closing date of the financial statements for the financial period to apply this special accounting treatment, using the exchange rate used on that date, less any currency translation differences recognized as cost of assets in accordance with paragraph 7 of this Appendix. Considering that these differences resulted mainly from the unusual movements of the exchange rate.

- 2- Based on the decision of the Extraordinary General Assembly held on March 26, 2023, it was approved to change the name of the company to become GB Corp, and an entry has been made in the commercial register to amend the company's name on May 7, 2023.