

GB Corp
(An Egyptian Joint Stock Company)

Standalone Interim Financial Statements
For The Financial Period Ended March 31, 2024
And Limited Review Report

 **Hazem Hassan**
Public Accountants & Consultants

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Translation of limited review report
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Limited review report on 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 March 31, 2024 and the related Separate statements of Profit or Loss and comprehensive income, changes in equity, and cash flows for the three -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.

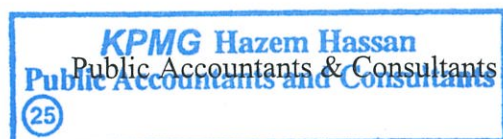
Scope of Limited Review

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 March 31, 2024 and of its financial performance and its cash flows for the three -month then ended in accordance with Egyptian Accounting Standards.


KPMG Hazem Hassan



Cairo May 28, 2024

GB Corp
(An Egyptian Joint Stock Company)
Standalone Interim Statement of Financial
Position as of March 31, 2024

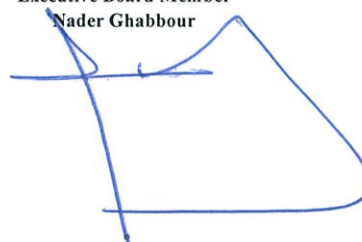
		31 March 2024	31 December 2023
	Note No.	EGP	EGP
Assets			
Non-current assets			
Payments under investment in subsidiaries	(15)	50 378 770	27 428 770
Investment in subsidiaries	(6)	2 125 819 007	2 125 819 007
Total non-current assets		2 176 197 777	2 153 247 777
Current assets			
Debtors and other debit balances	(7)	89 191 866	1 162 840
Due from related parties	(8)	506 625 412	763 616 803
Cash and cash equivalents	(9)	428 203	4 165 200
Total current assets		596 245 481	768 944 843
Total assets		2 772 443 258	2 922 192 620
Equity			
Issued and paid up capital	(10-A)	1 085 500 000	1 085 500 000
Legal reserve	(11)	74 772 626	74 772 626
Other reserves	(12)	1 143 287 400	1 143 287 400
Retained Earning		8 794 011	291 234 961
Total Equity		2 312 354 037	2 594 794 987
Current liabilities			
Current tax liabilities		4 163 794	4 163 794
Creditors and other credit balances	(13)	455 925 427	323 233 839
Total Current liabilities		460 089 221	327 397 633
Total equity and liabilities		2 772 443 258	2 922 192 620

* 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 Profit or Loss
for the financial Period ended 31 March 2024

	Note No.	31 March 2024 EGP	31 March 2023 EGP
General and administrative expenses		(85 559 978)	(51 385 206)
Charged expenses to subsidiaries		85 559 978	51 385 206
Charged finance cost to subsidiaries		865 961	15 131 857
Gross profit		865 961	15 131 857
Finance Cost -Net	(16)	(865 961)	(15 131 857)
Net profit for the period before income tax		-	-
Income tax (Current)		-	-
Net profit for the period after tax		-	-
Basic earning per share	(14)	-	-

* 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 31 March 2024

	31 March 2024	31 March 2023
	EGP	EGP
<u>Comprehensive income items</u>		
Net profit for the period after income tax	-	-
Total comprehensive income	-	-

* The accompanying notes form an integral part of these standalone 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 31 March 2024

	Issued and paid in capital	Legal reserve	Other reserves	Retained Earning	Total
	EGP	EGP	EGP	EGP	EGP
Balance at January 1, 2023	1 085 500 000	66 762 249	1 143 287 400	139 037 798	2 434 587 447
Comprehensive income items:					
Net profit for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Balance at March 31, 2023	1 085 500 000	66 762 249	1 143 287 400	139 037 798	2 434 587 447
Balance at January 1, 2024	1 085 500 000	74 772 626	1 143 287 400	291 234 961	2 594 794 987
Dividends Distributions	-	-	-	(282 440 950)	(282 440 950)
Comprehensive income items:					
Net profit for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Balance at March 31, 2024	1 085 500 000	74 772 626	1 143 287 400	8 794 011	2 312 354 037

* 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 31 March 2024

	Note No.	31 March 2024	31 March 2023
		EGP	EGP
<u>Cash Flow from operating activities</u>			
Net profit for the period before income tax		-	-
<u>Adjustments for:</u>			
Interest expense		27 953	191 518
Interest Income		(12 238)	(434)
		15 715	191 084
<u>Changes in:</u>			
Debtors and other debit balances		(88 029 026)	(68 541 765)
Due from related parties		256 991 391	146 128 486
Creditors and other credit balances**		(119 097 109)	(58 741 613)
Dividends distributions to Employees		(30 652 253)	-
Net cash provided from operating activities		19 228 718	19 036 192
<u>Cash flows from investing activities</u>			
Payment under investment		(22 950 000)	(12 240 000)
Investment in subsidiaries		-	(7 800 499)
Interest income received		12 238	434
Net cash (used in) Investing activities		(22 937 762)	(20 040 065)
<u>Cash flows from financing activities</u>			
Interest expense paid		(27 953)	(191 518)
Net cash (used in) financing activities		(27 953)	(191 518)
Net Increase in cash and cash equivalents		(3 736 997)	(1 195 391)
Cash and cash equivalents at the beginning of the period		4 165 200	1 507 504
Cash and cash equivalents at end of the period	(9)	428 203	312 113

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

** The amount of Egp 251 788 697 was excluded from a change in creditors and other credit balances which it represents un paid dividends on 31 March 2024, as this amount represents a non cash transaction.

GB Corp (S.A.E)

Notes to the standalone Interim financial statements for the financial period ended March 31, 2024

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

1- Background of the Company

GB Corp S.A.E 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 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 Company") 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.

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 March 31, 2024.

The Standalone financial statements were authorized for issue by the Company's Board of Directors on May 28, 2024.

2- Basis of preparation of standalone financial statements

The Standalone 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 Company, as it is necessary to refer to them to obtain an understanding of the financial position, business results and cash flows for the Company.

4- Functional and presentation currency

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

GB Corp (S.A.E)

Notes to the standalone Interim financial statements for the financial period ended March 31, 2024

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

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 Company'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 happen, if the change affects only that period, or in the period of change and future periods if the change affects both.

The following is the statement of the most important items in which estimates, and judgment are used: -

- The impairment in financial and non – financial assets value.
- Recognize and measure the deferred tax assets and liabilities.

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 according to current prices, which could settle 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 valuation method that leads to results can rely on it.
- When using the discounted cash flow method as a way for the valuation, 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.

GB Corp (S.A.E)

Notes to the standalone Interim financial statements for the financial period ended March 31, 2024

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

6- Investment in subsidiaries

	Shareholding %		<u>31/03/2024</u>	<u>31/12/2023</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%	-	267 493 424	267 493 424
International Company For car components (S.A.E)	51%	-	15 300 000	15 300 000
GB Automotive For Trade and Manufacture *	0.0000036%	99.9999964%	10	10
GB Kenya	100%	-	25 023 501	25 023 501
Transport Vehicle Distribution TVD S.A.E. *	1%	93%	1 541 252	1 541 252
Salexia L.T.D. Trading (Cyprus)**	100%	-	506 480 091	506 480 091
Automobilk S.A.E*	20%	65%	7 800 499	7 800 499
GB Tanzania	100%	-	286 230	286 230
GB Polo Buses Manufacturing "S.A.E." *	1%	99%	1 960	1 960
Total			2 145 375 057	2 145 375 057
Impairment on investments (GB Global Company)			(19 556 050)	(19 556 050)
			2 125 819 007	2 125 819 007

* Investments were classified under investments in subsidiaries, where the Company 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 where the companies are owned directly and indirectly by GB Corp (GB Auto previously).

** On December 12, 2023, the company transferred ownership shares of (Salexia Limited Trading Company (Cyprus)) from GB Global to GB Corp (GB Auto previously) through reducing the capital of Gb Global against Salexia, by reducing the capital of GB Global in exchange for Salexia thus becoming a direct investment for the company.

7- Debtors and other debit balances

	<u>31/03/2024</u>	<u>31/12/2023</u>
Advance Payments	154 720	164 006
Withholding tax	425 976	186 124
Prepaid Expense	1 611 159	633 940
Other debit balances	574 072	178 770
Charged expenses and finance costs to subsidiaries	86 425 939	-
	89 191 866	1 162 840

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>31/03/2024</u>	<u>31/12/2023</u>
RG Investment "S.A.E."	246 725 804	246 725 804
International Trade Agencies and Marketing Co. (ITAMCO) "S.A.E."	47 026 111	71 501 678
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt) "S.A.E."	128 025 340	365 051 374
GB Capital Holding for Financial Investments "S.A.E."	39 567 040	39 192 758
GB Auto Rental For Transportation "S.A.E."	245 248	55 513
GB Company for Financial Lease and Factoring "S.A.E."	1 074 946	737 058
Drive for Financing and Non Banking Service "S.A.E."	1 887 147	55 513
Automobilk S.A.E	48 654	48 654
GB Polo Buses Manufacturing "S.A.E."	244 908	46 221
Tires & More Company for car Services "S.A.E."	16 520	-
Transport Vehicle Distribution TVD S.A.E.	601 589	445 000
Ready Parts for Automotive Spare Parts "S.A.E."	443 234	51 247
GB Capital Securitization "S.A.E."	9 912	-
Egyptian International Maintenance and Cars Manufacturing Company EIAC "S.A.E."	6 989 960	-
Engineering Company for Transportation Maintenance (El Mikaneeky)	445 029	315 799
GB Kenya	25 122 118	25 008 423
GB Logistics "S.A.E."	256 451	128 652
GB Tanzania	16 225 469	16 225 469
SME Credit Etaman "S.A.E."	87 000	83 261
	<u>515 042 480</u>	<u>765 672 424</u>
<u>Due to related parties</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
Haram Company for Transportation and Trading "S.A.E."	381 338	452 806
Ghabbour Continental Trading Co. (GCT) –Alex "S.A.E."	6 522 081	-
Egypt Auto Mall Company for Used Car "S.A.E."	1 513 639	1 602 805
GB Global BV	10	10
	<u>8 417 068</u>	<u>2 055 621</u>
Net	<u>506 625 412</u>	<u>763 616 803</u>

- The company Agreed a contract on December 26, 2006, and the company renewed the contract on January 1, 2022 between the company and its subsidiaries and associate companies in the GB Corp Company of companies (GB Auto previously) on the basis that all companies are owned by one Company of shareholders, and there are multiple commercial transactions between them. All parties of the contract, represented by all subsidiaries and associates, have agreed that it will be concluded at the end of each fiscal year to conduct a settlement of the joint accounts between them resulting from their transactions by settling between the total amounts due to each party with the other parties and the total amounts due from him in favor of all other parties, provided that the balance resulting from the clearing is shown in the financial statements of each party, whether the balance is credit or debit, provided that the financial position in each period will be the basis for offsetting and settlement between all companies.
- Based on the foregoing, the company made a set-off between the debit amounts due from subsidiaries and associates on March 31, 2024, and the credit amounts due to subsidiaries and associates on the same date and the result of offset is 506 625 412 EGP debit due from other Company companies.
- During the period, the company conducted some transactions with related parties represented in cash transfers and other services related to the activity. During the period, the company paid an amount of 16 182 108 Egyptian pounds as salaries to members of the company's senior management.
- The following is a description, nature, and value of the most important transactions with related parties during the period:

GB Corp (S.A.E)

Notes to the standalone Interim financial statements for the financial period ended March 31, 2024

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

<u>Transactions with related parties</u>	<u>Type of transaction</u>						<u>Ending Balance</u>
	<u>Beg. Balance</u>	<u>Expense paid on behalf</u>	<u>*Redistribution of expenses to subsidiary</u>	<u>Transfer / Clearing Balances</u>	<u>Forex</u>	<u>Dividends</u>	
International Trade Agencies and Marketing Co. (ITAMCO) "S.A.E."	71 501 678	(30 334 467)	–	5 858 900	–	–	47 026 111
RG Investment "S.A.E."	246 725 804	–	–	–	–	–	246 725 804
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt) "S.A.E."	365 051 374	(20 093 334)	–	(216 932 700)	–	–	128 025 340
Ghabbour Continental Trading Co. (GCT) –Alex "S.A.E."	–	(4 938 930)	–	694 144	(2 277 295)	–	(6 522 081)
GB Capital Holding for Financial Investments "S.A.E."	39 192 758	374 282	–	–	–	–	39 567 040
GB Logistics "S.A.E."	128 652	120 061	–	7 738	–	–	256 451
Egypt Auto Mall Company for Used Car "S.A.E."	(1 602 805)	89 166	–	–	–	–	(1 513 639)
Ready Parts for Automotive Spare Parts "S.A.E."	51 247	2 987	–	389 000	–	–	443 234
Haram Company for Transportation and Trading "S.A.E."	(452 806)	71 468	–	–	–	–	(381 338)
GB Company for financial lease and Factoring "S.A.E."	737 058	337 888	–	–	–	–	1 074 946
GB Polo Buses Manufacturing "S.A.E."	46 221	198 687	–	–	–	–	244 908
GB Auto Rental for Transportation "S.A.E."	55 513	189 735	–	–	–	–	245 248
Drive for Financing and Non-Banking Service "S.A.E."	55 513	1 831 634	–	–	–	–	1 887 147
Tires & More Company for car Services "S.A.E."	–	16 520	–	–	–	–	16 520
Engineering Company for transportation maintenance El Mikaneeky	315 799	129 230	–	–	–	–	445 029
Automobilk S.A. E	48 654	–	–	–	–	–	48 654

GB Corp (S.A.E)

Notes to the standalone Interim financial statements for the financial period ended March 31, 2024

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

Transport Vehicle Distribution TVD S.A.E.	445 000	156 589	-	-	-	-	601 589
GB Global BV	(10)	-	-	-	-	-	(10)
SME Credit Eteman "S.A.E."	83 261	87 000	-	(83 261)	-	-	87 000
GB Tanzania	16 225 469	-	-	-	-	-	16 225 469
GB Kenya	25 008 423	113 695	-	-	-	-	25 122 118

***Redistribution of expense to subsidiary**

The company charges some of its subsidiaries with its administrative, selling, marketing, and financing expenses, and what was charged during the year amounted 86 425 939 Egyptian pounds until March 31, 2024 (compared to an amount of 66 517 063 Egyptian pounds until March 31, 2023).

9- Cash and cash equivalents

	<u>31/3/2024</u>	<u>31/12/2023</u>
Cash on hand	–	653 177
Cash at banks	428 203	3 512 023
	<u>428 203</u>	<u>4 165 200</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 March 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.
- 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 12).
- 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 (Note 12).
- During the period from January 1, 2021 to March 31, 2021, the company sold 8 million shares with the total value of 30.232 million Egyptian pounds, which resulting a reduction of 8 million Egyptian pounds. This represents the nominal value of the shares and the difference between sale value and the nominal of 22.232 million Egyptian pound was recorded within other reserves (Note 12).
- During December 2021 The company has purchased 8 509 733 shares with a total value of 38.681 million 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 million Egyptian pounds has been recorded in the other reserves (Note 12).
- 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 was noted in the commercial register on August 15, 2022 .

11- Legal Reserve

	<u>31/03/2024</u>	<u>31/12/2023</u>
Legal Reserve	74 772 626	74 772 626

- 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.

GB Corp (S.A.E)

Notes to the standalone Interim financial statements for the financial period ended March 31, 2024

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

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 March 31, 2024	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 198 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.

13- Creditors and other credit balances

	<u>31/03/2024</u>	<u>31/12/2023</u>
Tax authority	66 339 600	903 229
Trade payables	2 756 263	4 637 380
Accrued expenses	134 325 037	315 527 506
Other credit balances	457 999	367 105
Notes Payables	257 831	1 798 619
Dividends	251 788 697	-
	<u>455 925 427</u>	<u>323 233 839</u>

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14- Earnings per share

- Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares issued during the period as follows:
- The General Assembly meeting agreed on 27/3/2024 to distribute dividends for the financial year ending on 31/12/2023 an amount of 217 100 000 EGP (at the rate 0.20 Piasters per share from a total paid up capital amounted 1 085 500 000 EGP) and it was approved by the general authority of investment on April 28,2024.

	<u>31/03/2024</u>	<u>31/03/2023</u>
Net profit for the period	-	-
Divided by:	-	-
Weighted average number of ordinary shares for the period	1 085 500 000	1 085 500 000
Earnings per share	-	-

15- Payment under investment

	<u>31/03/2024</u>	<u>31/12/2023</u>
GB Kenya	24 620 000	24 620 000
GB Tanzania	2 808 770	2 808 770
International Components company	22 950 000	-
	<u>50 378 770</u>	<u>27 428 770</u>

16- Finance cost-Net

	<u>31/03/2024</u>	<u>31/03/2023</u>
Interest Income	12 238	434
Total Finance Income	<u>12 238</u>	<u>434</u>
Interest expense and bank charges	(27 953)	(191 518)
Foreign exchange loss	(850 246)	(14 940 773)
Total Finance Cost	<u>(878 199)</u>	<u>(15 132 291)</u>
Net Finance Cost	<u>(865 961)</u>	<u>(15 131 857)</u>

17- Tax position

First: Corporate tax:

- 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 31 March 2024.

Second: Value added tax:

- Completed, settled and paid until 2020.
- Not requested for examination years from 2021 to 31 March 2024.

Third: Salaries tax:

- The tax is deducted monthly and is supplied to the tax authority regularly.
- Completed, settled and paid for until 2021.
- Not requested for examination years from 2022 to 31 March 2024.

Fourth: withholding Tax:

- The First quarter has been paid for the year 2024.

Fifth: Stamp tax:

- 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 in progress for the years 2018/2019.
- Not requested for examination years from 2020 to 31 March 2024.

18- Financial risk management

18-1 Financial risk factors

- The Company's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, price risk and interest rate risk on cash flows and fair value), credit risk and liquidity risk.
- The Company's efforts are addressed to minimize potential adverse effects of such risks on the Company'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 Company is exposed to foreign exchange rate risk arising from its various activities, primarily with respect to the US Dollar and Euro. The 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 Company has no investments in equity security or recorded debit instruments that are treated in stock exchange, 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 bonds.

B- Credit risk

- Credit risk arises from cash and cash equivalents, and deposits with banks, as well as credit exposure to distributors, wholesalers and customers including outstanding accounts and notes receivable. Credit risk is managed on a Company basis.
- For banks, the Company deals with banks which have a high credit 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 Company's management aims at maintaining flexibility in funding by keeping committed credit lines available.

18-2 Capital Risk Management

- The Company's management aims to manage capital to maintain the Company'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.
- 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 equity is represented by the company's total equity as shown in the standalone balance sheet plus net borrowings.

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- The net loans to total equity ratio on March 31, 2024, and December 31, 2023 is as follows:

	<u>31/03/2024</u>	<u>31/12/2023</u>
Creditors and other credit balances	460 574 760	323 233 839
(Deduct): Cash and cash equivalents	(428 203)	(4 165 200)
Net Loans	460 146 557	319 068 639
Equity	2 312 354 037	2 594 794 987
Net debt to equity	0.199	0.123

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 to determine the fair value of financial liabilities at the current market interest rate that is available to the Company for similar financial instruments.
- For the fair value of financial instruments that are not traded in an active market, The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each financial position date. Quoted market prices and dealer prices 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 financial position date, the fair value of non-current liabilities does not significantly differ from their carrying amount.

19- Contingent liabilities

There are no contingent liabilities during the period.

20- Capital Commitments

There are no capital commitments during the period.

21- Significant accounting policies

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

21-1 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.

21-2 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 Company. The Company 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 control over the investee.

21-3 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 financing component) or financial liability is initially measured at fair value plus, for an item not measured in fair value through profit or loss, transaction costs directly attributable to its acquisition or issuance. Debit customers without a significant financing component 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 or at fair value through other comprehensive income – debt securities or 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 equity 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 mentioned statement of other comprehensive income must be measured at fair value through the 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 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 operation 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.

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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 which is a feature 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 immaterial 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 through profit and loss 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 effective interest method. The amortized cost is reduced by impairment losses. interest income, foreign exchange gains and losses, and impairment in profit or loss are recognized. Any profit or loss when derecognized as again 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 through 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 derecognized, the profit and loss accumulated in the other comprehensive income is reclassified to profit or loss.

21-4 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 amortized cost.
- Investments in debt instruments that are measured at fair value through 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 with low credit risk at the reporting date; and
- Other debt instruments and bank balances for which credit risk (i.e., the risk of default over the expected life of the financial instrument) has not significantly increased since the initial recognition.
- The provisions losses of account receivables 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 significantly increased 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 Company'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 Company in full, without the Company resorting to actions such as liquidation of collateral (if any); or
- The financial assets are 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 impaired financial assets

At the date of each report, the Company assesses whether the financial assets recognized 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.

The evidence of impaired of financial assets includes monitorable data:

- A Substantial financial difficulty for the lender or importer 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.

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Disclosing 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 through 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 write off 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 amount recoverability of the written off. However, financial assets that have been written off may still be subject to commitment activities 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, in addition the requirements of the standards have been align more closely with the company's risk management policies, so based on that the effectiveness of the hedge will be measured in the future.

21-5 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 right of use 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.

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

- Regarding 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 right of use assets and lease obligations, except for 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 previous 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. Amortization is calculated on a straight-line basis over the shorter of the estimated useful lives of the right of use assets or the lease term.

- The lease 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 rate 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 right of use assets and lease obligation will be remeasured later in the presence of one of the following events:

- The change in the lease 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.

21-6 Cash and Cash Equivalents

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

21-7 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 presented 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.

21-8 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- Defined contribution benefit plan

The obligations of the Defined contribution Benefit plan 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 through profits or losses on the accrual basis.

D- End of service benefits

The Company recognizes end of service 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.

21-9 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.

21-10 Revenue Recognition

A- Dividends

The dividends revenue are recognized through profit or loss statement at the date which the company has the right to collect those dividends.

B- 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.

21-11 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 recognized event – 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 a liability, but if the tax is 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 (Assets) for the current and prior periods are measured at the value expected to be paid to (recovered from) the tax authority, using the current tax rates (and tax laws) in the process of being issued on the date of the period end of the financial. Dividends are taxable as part of current tax. offsetting 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 good will,
- or the initial recognition of the assets or liabilities of the operation that:

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(1)Not a business combination.

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

A deferred tax asset arising from the carry forward of tax losses, the right to unused tax deduction and temporary deductible differences are recognized when there is a probability 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 unrecognized deferred tax assets that are determined 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 utilized.

Deferred tax is measured using the tax rates expected to be applied when temporary difference 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. offsetting tax assets and liabilities is carried out only when certain conditions are met.

21-12 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.

21-13 Comparative Figures

Comparative figures are reclassified as necessary to correspond to changes in presentation used in the current year.

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21-14 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	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	<p>1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets.</p> <p>- This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Leasing Contracts" <p>2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested.</p> <p>The Company is not required to disclose the quantitative information required under paragraph 28(f) of 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</p>	The company will not use the revaluation model during the current period.	<p>The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023</u>, <u>retrospectively</u>, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time.</p> <p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023</u>, <u>retrospectively</u>, cumulative impact of the preliminary applying of the</p>

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

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

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

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

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			in which the Company applies this treatment for the first time.
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". 	The management of the company will study the impact of the application of the standard over the next year from the start of the company's financial period of 1 January of each year.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024 , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<ul style="list-style-type: none"> - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ". 		
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	The company use cost method to treat its investments in associates and subsidiaries companies in its financial statements.	The amendments shall apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.

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

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

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

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

22- 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.