QALAA FOR FINANCIAL INVESTMENTS S.A.E. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

Contents

Limited review report on the interim condensed consolidated financial statements

To the Board of Directors of Qalaa for Financial Investments (S.A.E.)

Introduction

We have conducted a limited review for the accompanying interim condensed consolidated statement of financial position of Qalaa for Financial Investments (S.A.E.) (the "Company") and its subsidiaries (together the "Group") as of 30 September 2023 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the Egyptian Accounting Standard 30 "Interim Financial Statements", and our responsibility is limited to expressing a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of the limited review

Except as explained in the Basis for qualified conclusion paragraph, we have conducted our limited review in accordance with the 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, 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 condensed consolidated financial statements.

Basis for qualified conclusion

As at 30 September 2023, we were not able to either obtain a response to a bank confirmation request circularised during our audit of the consolidated financial statements of the Group as at 31 December 2022 or perform alternative procedures over loan balances amounting to EGP 366,339,354 and cash and bank balances amounting to EGP 331,306 with a certain bank as at 30 September 2023. In the absence of a response to our bank confirmation requests, we have not been able to satisfy ourselves by alternative means as to the completeness of balances held with this bank and other unfunded exposures to this bank. We were unable to determine whether adjustments might have been necessary in respect of the 'Loans and borrowings' and 'Cash and cash equivalents' balances in the interim condensed consolidated statement of financial position as at 30 September 2023 and 31 December 2022 and in the interim condensed consolidated statement of cash flows for the period ended 30 September 2023.

Qualified conclusion

Except for any possible adjustments to the interim condensed consolidated financial statements that we might have become aware of had it not been for the situation described in the basis for qualified conclusion paragraph, in light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim Financial Statements".

Emphases of matter

Without further qualifying our conclusion, we draw attention to the following matters:

- As described in note (12) to the interim condensed consolidated financial statements, the Group's current liabilities exceeded its current assets by EGP 71.8 billion at 30 September 2023 and it had accumulated losses of EGP 25 billion as at that date. In addition, as at 30 September 2023, some of the Group's subsidiaries were in breach of certain debt covenants and had defaulted in settling the loan instalments on some of their borrowings on the respective due dates. These events and conditions along with other matters disclosed in note (12) to the interim condensed consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The interim condensed consolidated financial statements do not include the adjustments that would be necessary if the Group were unable to continue as a going concern.

- Note 11(b) to the interim condensed consolidated financial statements sets out the key considerations and critical accounting judgements applied by management in concluding that the Egyptian Refining Company ("ERC") should be consolidated by the Group. Should these considerations and judgements change, the Group may need to deconsolidate ERC.

Wael Sakr
R.A.A. 26144
F.R.A. 381

21 December 2023
Cairo

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed consolidated statement of financial position - As of 30 September 2023

	Note	30 September 2023	31 December 2022
Non-current assets			
Fixed assets	7(a)	116,305,868	94,949,498
Investment in properties	7(b)	9,975	-
Right of use assets	7(c)	2,076,272	1,897,001
Intangible assets		937,647	666,846
Goodwill		205,570	205,570
Biological assets		525,152	475,754
Investments in associates and joint ventures	5(i)	389,364	668,561
Financial assets at fair value through other comprehensive income		13,886	11,286
Derivative financial instruments	6(d)(iii)	349,763	339,259
Trade and other receivables		1,842,971	817,242
Deferred tax assets		7,263,148	6,302,057
Total non-current assets		**129,919,616**	**106,333,074**
Current assets			
Inventories	7(e)	10,001,330	6,349,402
Biological assets		36,901	20,003
Trade and other receivables		25,263,682	22,363,679
Due from related parties	8(a)	687,701	497,719
Financial asset at fair value through profit or loss	6(f)	1,606,004	-
Restricted cash	6(e)	7,796,359	638,722
Cash and cash equivalents		9,359,424	8,652,942
Total current assets		**54,751,401**	**38,522,467**
Assets classified as held for sale	4(b)(i)	19,947	27,126
Total assets		**184,690,964**	**144,882,667**
Equity			
Paid-up capital		9,100,000	9,100,000
Legal reserve		89,578	89,578
Reserves		5,081,128	2,262,865
Accumulated losses		(25,027,061)	(24,707,700)
Total equity attributable to owners of Qalaa for Financial Investments		**(10,756,355)**	**(13,255,257)**
Non-controlling interests		50,383,984	35,626,053
Total equity		**39,627,629**	**22,370,796**
Non-current liabilities			
Loans and borrowings	6(a)	4,228,906	4,626,680
Lease liabilities		1,486,824	1,456,008
Borrowing from financial leasing entities	6(b)	666,405	686,432
Deferred tax liabilities		11,531,608	8,658,311
Trade and other payables		490,125	445,580
Derivative financial instruments	6(d)(iii)	2,219	2,219
Total non-current liabilities		**18,406,087**	**15,875,230**
Current liabilities			
Provisions	7(d)	4,855,008	4,442,648
Trade and other payables		22,844,626	15,682,352
Due to related parties	8(b)	2,478,033	1,857,138
Loans and borrowings	6(a)	94,299,027	82,947,045
Lease liabilities		452,971	370,616
Borrowing from financial leasing entities	6(b)	155,425	89,615
Financial liabilities at fair value through profit or loss		883,669	676,325
Current income tax liabilities		685,211	568,231
Total current liabilities		**126,653,970**	**106,633,970**
Liabilities associated with assets held for sale	4(b)(i)	3,278	2,671
Total liabilities		**145,063,335**	**122,511,871**
Total equity and liabilities		**184,690,964**	**144,882,667**

The accompanying notes on pages 8 - 44 form an integral part of these interim condensed consolidated financial statements.
Limited review report attached

Tarek El Gammal	**Hisham Hussein Elkhazindar**	**Ahmed Mohamed Hassanien Heikal**
Chief Financial Officer	**Managing Director**	**Chairman**

21 December 2023

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed consolidated statement of profit or loss
For the nine months period ended 30 September 2023

	Note	Nine months ended 30 September 2023	Nine months ended 30 September Restated 2022	Three months ended 30 September 2023	Three months ended 30 September 2022
Revenue	2(b)	84,383,009	69,385,055	26,440,183	23,722,220
Cost of revenue		(69,653,291)	(49,407,996)	(23,877,356)	(15,514,695)
Gross profit		**14,729,718**	**19,977,059**	**2,562,827**	**8,207,525**
General and administrative expenses		(2,527,124)	(1,755,339)	(842,656)	(596,768)
Selling and marketing expenses		(402,184)	(596,042)	(116,462)	(210,174)
Net impairment of financial assets		(535,326)	(37,695)	(549,010)	(12,435)
Gain on sale of associates	5(ii)(c)	3,060,735	-	3,060,735	-
Other income / (losses)	3(a)	29,896	(362,106)	51,557	(127,613)
Operating profits		**14,355,715**	**17,225,877**	**4,166,991**	**7,260,535**
Finance income	3(b)	2,454,759	1,931,320	871,223	341,907
Finance costs	3(b)	(7,895,954)	(4,742,873)	(2,539,356)	(1,962,419)
Share of (loss) / gain of investments in associates		(30,052)	17,455	(2,362)	17,283
Profit before income tax		**8,884,468**	**14,431,779**	**2,496,496**	**5,657,306**
Income tax expense	3(c)	(1,785,835)	(1,372,470)	7,087	(1,127,140)
Profit for the period		**7,098,633**	**13,059,309**	**2,503,583**	**4,530,166**
Attributable to:					
Owners of the parent company		1,736,112	847,114	2,044,225	16,677
Non-controlling interest		5,362,521	12,212,195	459,358	4,513,489
		7,098,633	**13,059,309**	**2,503,583**	**4,530,166**
Earnings per share from the profit for the period:					
Basic per share	9	3.90	7.18	1.38	2.49
Diluted per share	9	3.90	7.18	1.38	2.49

The accompanying notes on pages 8 - 44 form an integral part of these interim condensed consolidated financial statements.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed consolidated statement of comprehensive income
For the nine months period ended 30 September 2023

	Nine months ended 30 September		Three months ended 30 September	
	2023	Restated 2022	2023	2022
Profit for the period	**7,098,633**	**13,059,309**	**2,503,583**	**4,530,166**
Items that may be reclassified to profit or loss				
Other comprehensive income				
Exchange differences on translation of foreign operations	14,083,093	4,521,891	(62,163)	1,576,447
Net foreign currency exchange loss	(4,152,669)	(1,197,379)	(316,559)	-
Change in fair value of available for sale financial assets	3	178	-	318
Cash flow hedge	36,901	100,941	22,344	30,164
Income tax relating to these items	(38,554)	(18,045)	(2,941)	-
Other comprehensive income / (loss) for the period, net of tax	**9,928,774**	**3,407,586**	**(359,319)**	**1,606,929**
Total comprehensive income for the period	**17,027,407**	**16,466,895**	**2,144,264**	**6,137,095**
Total comprehensive income for the nine months period attributable to:				
Owners of the parent company	1,881,376	439,147	1,930,191	331,743
Non-controlling interest	15,146,031	16,027,748	214,073	5,805,352
	17,027,407	**16,466,895**	**2,144,264**	**6,137,095**

The accompanying notes on pages 8 - 44 form an integral part of these interim condensed consolidated financial statements.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed consolidated statement of changes in equity
For the nine months period ended 30 September 2023

	Total equity attributable to owners of Qalaa for Financial Investments S.A.E						
	Paid up capital	Legal reserve	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
Balances 1 January 2022	**9,100,000**	**89,578**	**904,052**	**(22,349,936)**	**(12,256,306)**	**9,882,024**	**(2,374,282)**
Total comprehensive income for the period	-	-	645,025	(205,878)	**439,147**	16,027,748	**16,466,895**
Dividends distribution	-	-	-	(72,914)	**(72,914)**	(238,911)	**(311,825)**
Foreign exchange differences of shareholders reserve	-	-	(327,187)	-	**(327,187)**	-	**(327,187)**
Transactions with non-controlling interests	-	-	(49,294)	-	**(49,294)**	(145,456)	**(194,750)**
Balance at 30 September 2022	**9,100,000**	**89,578**	**1,172,596**	**(22,628,728)**	**(12,266,554)**	**25,525,405**	**13,258,851**
Balances 1 January 2023	**9,100,000**	**89,578**	**2,262,865**	**(24,707,700)**	**(13,255,257)**	**35,626,053**	**22,370,796**
Total comprehensive income for the period	-	-	3,344,824	(1,463,448)	**1,881,376**	15,146,031	**17,027,407**
Dividends distribution	-	-	-	(115,760)	**(115,760)**	(729,560)	**(845,320)**
Foreign exchange differences of shareholders reserve	-	-	(526,561)	-	**(526,561)**	-	**(526,561)**
Treasury shares through subsidiaries	-	-	-	-	-	(55,309)	**(55,309)**
Non-controlling interests share from increase in the share capital of subsidiaries	-	-	-	-	-	36,753	**36,753**
Transactions with non-controlling interests	-	-	-	1,259,847	**1,259,847**	360,016	**1,619,863**
Balance at 30 September 2023	**9,100,000**	**89,578**	**5,081,128**	**(25,027,061)**	**(10,756,355)**	**50,383,984**	**39,627,629**

The accompanying notes on pages 8 - 44 form an integral part of these interim condensed consolidated financial statements.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed consolidated statement of cash flows
For the nine months period ended 30 September 2023

	30 September 2023	Restated 30 September 2022
Cash flows from operating activities		
Income for the period before income tax	8,884,468	14,431,779
Net income before income tax, adjusted for:		
Depreciation and amortization	6,644,817	3,921,261
Impairment in right of use of assets	-	9
Loss on settlement of lease contracts	362	32,368
Gain on loan settlement	(496,126)	(842,784)
Impairment on fixed assets	15	45
Unrealized forex (income) / loss	(970,433)	920,155
Impairment in investment in treasury bills – net	-	(1,625)
Impairment of due from related parties – net	(35,245)	521
Impairment of trade and other receivables – net	341,931	(25,495)
Impairment of inventory – net	(7,476)	63,744
Ineffective portion of cash flow hedge	109,182	(464,416)
Share of profit of investments in associates	30,052	(17,455)
Effect of investments at fair value through profit or loss	197,328	-
Effect of financial liabilities at fair value through profit or loss	16,683	12,547
Gain on sale of fixed assets	-	(11,876)
Loss on sale of biological assets	18,441	29,759
Gain on sale of associates	(3,060,735)	-
Provisions – net	157,885	486,283
Interest expenses	7,786,772	4,355,247
Interest income	(1,258,254)	(600,320)
Operating gain before changes in working capital:	18,359,667	22,289,747
Changes in working capital		
Inventories	(3,674,482)	(2,230,551)
Trade and other payables	3,621,413	923,508
Trade and other receivables	(3,017,197)	(10,922,250)
Due from related parties	(834,827)	(521,927)
Due to related parties	620,895	92,575
Provisions used	(315,284)	(267,907)
Income tax paid	(343,772)	(208,343)
Net cash flow generated from operating activities	14,416,413	9,154,852
Cash flows from investing activities		
Payments to purchase of fixed assets, PUC and intangible assets	(1,804,704)	(1,294,284)
Treasury bills	-	815,339
Proceeds from sale of fixed assets	1,194	75,803
Payments to purchase of biological assets	(84,737)	(44,250)
Payment for acquisition of associates	-	(42,980)
Proceeds from sale of associates	138,400	-
Interest received	1,258,254	600,320
Net cash flow (used in) / generated from investing activities	(491,593)	109,948
Cash flows from financing activities		
Proceeds from loans	464,628	636,012
Proceeds from banks – overdrafts	221,997	2,810,978
Repayments of loans	(7,955,168)	(6,294,315)
Repayments of leases	(135,712)	(195,596)
Payments to purchase of treasury shares through subsidiaries	(55,309)	-
Dividends paid	(845,320)	(311,825)
Transactions with non-controlling interest	1,656,616	(194,750)
Proceeds from financial leasing entities	45,783	117,799
Restricted cash	(7,157,637)	(1,293,503)
Interest paid	(1,095,843)	(498,278)
Net cash flow used in financing activities	(14,855,965)	(5,223,478)
Net change in cash and cash equivalents during the period	(931,145)	4,041,322
Cash and cash equivalents at beginning of the period	8,652,942	5,406,555
Foreign currency translation differences	1,637,627	(246,714)
Cash and cash equivalents at end of the period	9,359,424	9,201,163

The accompanying notes on pages 8 - 44 form an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. Introduction

Qalaa for Financial Investments "S.A.E." "The Holding Company" was incorporated in 2004 as an Egyptian joint stock company under Law No. 159 of 1981. It was registered in the commercial registered under number 11121, Cairo on 13 April 2004. The Holding Company's term is 25 years as of the date it is entered in the commercial registered and can be renewed. The Holding Company is registered in the Egyptian Stock Exchange.

The Holding Company's head office is in located in 31 Arkan Plaza, Sheikh Zayed City, 6th of October, Giza, Arab Republic of Egypt.

The purpose of the Group and main activities are described in note 2 on segment information.

The Holding Company is owned by Citadel Capital Partners Ltd. Company (Malta) by 23.49% which is the ultimate parent.

The interim condensed consolidated financial statements were authorised to be issued by the Board of Directors on 21 December 2023.

2. Segment information

The Group Management Board is identified as the Chief Operating Decision-Maker (CODM) at Group level.

The information below shows the segment information provided to the CODM for the reportable segments for the nine months period ended 30 September 2023 and also the basis on which revenue is recognized:

2. (a) Description of segments and principal activities

The following summary describes each reportable segment:

Energy sector
Qalaa for Financial Investments Company has invested in energy as one of the core industries within the Group segments. Its integrated investments along the value chain, midstream and downstream including refining, energy distribution, power generation and solid waste management, provide solutions that truly tackle the energy problems that faces today.

Cement sector
Qalaa for Financial Investments Company in the cement sector produce high-quality building materials that meet international environmental standards, while helping build critical national infrastructure in Africa and the Middle East. Qalaa for Financial Investments, through its subsidiary company ASEC Holding, has pursued promising opportunities in regional markets with strong fundamentals where the demand for cement continues to outpace supply.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

2. Segment information (continued)

2. (a) Description of segments and principal activities (continued)

Transportation and logistics sector
Qalaa for Financial Investments Company investments in the river transport, logistics and port management sector. As fuel subsidies are gradually removed in Egypt and fuel becomes more costly, manufacturers will be seeking for alternative means of transporting goods. Nile logistics has large fleet of fuel-efficient barges, which are more efficient, affordable and environmentally friendly that transfer cargo along the Nile. The capacity of one river barges is equivalent to 20-40 trucks, with only one-quarter of the emissions.

Mining sector
Qalaa for Financial Investments Company investments in the mining sector help in developing nations and add value to their natural resources. All of Group investments in the mining sector focus on research and development, precious metals mining, mining for the cement industry, quarry management and the production of insulation materials products for domestic and export consumption to help countries in Africa and the Middle East to unlock their economic potential.

Agriculture food industries sector
Qalaa for Financial Investments Company investments in agri-foods aim to overcome challenges facing the agricultural and food production sector in Egypt and the region. Qalaa Companies in the agri-foods sector bring trusted household names to market through Dina farms, ICDP (Dina Farms' fresh dairy producer).

Packaging and printing sector
Qalaa for Financial Investments invest in Packaging and printing segment aim to create shareholders liquidity while remaining firmly committed to capital growth. Grandview group enjoys a strong market share in folder boxes, laminated boxes, books and paper in Egypt.

2. (b) Segment revenues

Below is summary of operating results by segment. The amounts presented include inter-segment transactions, which are conducted in the normal course of business and priced in a manner similar to third party transactions. The revenue from external parties is measured in the same way as in the interim condensed consolidated statement of profit or loss.

				Timing of revenue recognition		
30 September 2023	**Segment revenue**	**Inter-segment revenue**	**Revenue from external customers**	**At a point in time**	**Over time**	**Total**
Energy sector	73,414,223	-	**73,414,223**	71,286,878	2,127,345	**73,414,223**
Packaging & printing sector	3,867,878	-	**3,867,878**	3,867,878	-	**3,867,878**
Cement sector	2,849,772	-	**2,849,772**	2,455,874	393,898	**2,849,772**
Mining sector	1,410,220	-	**1,410,220**	1,410,220	-	**1,410,220**
Agriculture food industries sector	1,398,413	-	**1,398,413**	1,398,413	-	**1,398,413**
Transportation and logistics sector	424,000	-	**424,000**	424,000	-	**424,000**
Other sectors	1,018,503	-	**1,018,503**	1,018,503	-	**1,018,503**
Total	**84,383,009**	-	**84,383,009**	**81,861,766**	**2,521,243**	**84,383,009**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

2. Segment information (continued)

2. (b) Segment revenues (continued)

30 September 2022	Segment revenue	Inter-segment revenue	Revenue from external customers	Timing of revenue recognition At a point in time	Over time	Total
Energy sector	60,694,227	-	**60,694,227**	59,056,713	1,637,514	**60,694,227**
Packaging & printing sector	3,198,009	-	**3,198,009**	3,198,009	-	**3,198,009**
Cement sector	3,063,167	-	**3,063,167**	2,849,657	213,510	**3,063,167**
Agriculture food industries sector	945,808	-	**945,808**	945,808	-	**945,808**
Mining sector	998,536	(58,231)	**940,305**	940,305	-	**940,305**
Transportation and logistics sector	251,450	-	**251,450**	251,450	-	**251,450**
Other	294,675	(2,586)	**292,089**	292,089	-	**292,089**
	69,445,872	**(60,817)**	**69,385,055**	**67,534,031**	**1,851,024**	**69,385,055**

2. (c) Segments assets

Segment assets are measured in the same way as in the interim condensed consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment assets	30 September 2023 Current assets	Non-current assets	Total assets	31 December 2022 Current assets	Non-current assets	Total assets
Energy sector	45,537,135	114,072,471	**159,609,606**	30,521,881	96,005,809	**126,527,690**
Financial services sector	13,773,543	26,691,800	**40,465,343**	11,982,203	22,989,438	**34,971,641**
Cement sector	5,866,230	10,393,988	**16,260,218**	4,073,827	6,048,977	**10,122,804**
Packaging & printing sector	3,238,770	1,428,491	**4,667,261**	3,046,194	1,357,800	**4,403,994**
Mining sector	2,906,706	2,422,614	**5,329,320**	850,493	1,369,747	**2,220,240**
Agriculture food industries sector	680,803	1,352,263	**2,033,066**	550,462	1,279,066	**1,829,528**
Transportation and logistics sector	317,505	849,854	**1,167,359**	276,888	764,112	**1,041,000**
Other sectors	675,725	82,900	**758,625**	705,741	67,180	**772,921**
	72,996,417	**157,294,381**	**230,290,798**	**52,007,689**	**129,882,129**	**181,889,818**
Elimination	(18,225,069)	(27,374,765)	**(45,599,834)**	(13,458,096)	(23,549,055)	**(37,007,151)**
Total	**54,771,348**	**129,919,616**	**184,690,964**	**38,549,593**	**106,333,074**	**144,882,667**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

2. Segment information (continued)

2. (d) Segments liabilities

Segment liabilities are measured in the same way as in the interim condensed consolidated financial statements. These liabilities are allocated based on the operations of the segment.

	30 September 2023			31 December 2022		
Segment liabilities	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**
Energy sectors	82,363,877	15,797,977	**98,161,854**	70,057,112	12,674,427	**82,731,539**
Financial services sectors	45,726,669	885,298	**46,611,967**	35,408,231	1,283,418	**36,691,649**
Cement sectors	13,394,220	7,026,885	**20,421,105**	10,594,782	5,217,845	**15,812,627**
Agriculture food industries sectors	4,258,033	421,166	**4,679,199**	3,425,796	425,245	**3,851,041**
Mining sector	2,155,875	1,334,995	**3,490,870**	1,334,808	1,171,842	**2,506,650**
Packaging & printing sector	2,775,907	545,224	**3,321,131**	2,629,115	647,923	**3,277,038**
Transportation and logistics sector	2,675,407	93,366	**2,768,773**	2,334,998	86,263	**2,421,261**
Other sectors	1,597,791	474,189	**2,071,980**	1,510,932	361,813	**1,872,745**
	154,947,779	**26,579,100**	**181,526,879**	**127,295,774**	**21,868,776**	**149,164,550**
Elimination	(28,290,531)	(8,173,013)	**(36,463,544)**	(20,659,133)	(5,993,546)	**(26,652,679)**
Total	**126,657,248**	**18,406,087**	**145,063,335**	**106,636,641**	**15,875,230**	**122,511,871**

3. Profit and loss information

3(a) Significant items

	30 September 2023	**30 September 2022**
Gains		
Other income [1]	524,025	249,570
Provisions no longer required [2]	279,188	15,286
Expenses		
Impairment of trade receivables and other debit balances formed [3]	(656,579)	(48,647)
Provisions formed [4]	(437,073)	(501,569)
Unrealized losses on trading investments [5]	(197,328)	-

1) "Other income" includes an amount of EGP 134.3 million for export subsidies income and an amount of EGP 131.2 million related to a waiver of loans on the QH level and the remaining amount related to income from activities other than the main activities of the Group.

2) "Provisions no longer required" includes an amount of EGP 270.9 million related to reversal of interest provisions as a result of debt restructures in one of the Group's subsidiaries.

3) The increase in "Impairment of trade receivables and other debit balances formed" is mainly related to the change in macroeconomic factors in the Group's expected credit losses (ECL) model.

4) "Provisions formed" includes an amount of EGP 260.9 million related to late interest penalties and EGP 175.4 million against the probable claims from external parties in relation to Group activities.

5) "Unrealized losses on trading investments" represents the change in the fair value of financial assets at fair value through profit and loss. (Note 6(f))

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

3. Profit and loss information (continued)

3(b) Finance costs – net

	Nine months ended 30 September 2023	Nine months ended 30 September Restated 2022	Three months ended 30 September 2023	Three months ended 30 September 2022
Credit interest	1,258,254	600,320	483,416	236,707
Ineffective portion of cash flow hedge	-	464,416	-	105,200
Gains from loan settlement*	496,126	842,784	300,781	-
Net foreign exchange gain	700,379	23,800	87,026	-
Total finance income	**2,454,759**	**1,931,320**	**871,223**	**341,907**
Interest expenses	(7,007,104)	(4,197,305)	(1,861,634)	(1,681,633)
Lease interest expense	(779,668)	(157,942)	(677,722)	(44,617)
Ineffective portion of cash flow hedge	(109,182)	-	-	-
Net foreign exchange loss	-	(387,626)	-	(236,169)
Total Finance costs	**(7,895,954)**	**(4,742,873)**	**(2,539,356)**	**(1,962,419)**
Net	**(5,441,195)**	**(2,811,553)**	**(1,668,133)**	**(1,620,512)**

* Gains from loan settlement represent a waiver income resulted from final settlement of certain outstanding loans due on subsidiaries in the Transportation sector during the first quarter of 2022 and the debt restructuring and settlement in the Cement sector in the second and third quarters of 2023.

3(c) Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The average annual tax rate used for the period to 30 September 2023 is 5% compared to 11% (restated) for the nine months ended 30 September 2022.

4. Discontinued operations

4(a) Description

There are no discontinued operations during the nine months period ended 30 September 2023 and 30 September 2022. For further information about the discontinued operation please refer to note 3 in the Group's annual consolidated financial statements for the year ended 31 December 2022.

4(b) Assets and liabilities of disposal group classified as held for sale

(i) Assets

	El Baddar	Ledmore Holding Limited	Asenpro	Total
30 September 2023				
Fixed assets	1,142	-	4,850	5,992
Trade receivables and other debit balances	-	7,561	-	7,561
Cash and cash equivalents	-	6,394	-	6,394
	1,142	13,955	4,850	19,947
Impairment	-	-	-	-
Balance	1,142	13,955	4,850	19,947

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

4. Discontinued operations (continued)

4(b) Assets and liabilities of disposal group classified as held for sale (continued)

	El Baddar	Ledmore Holding Limited	Asenpro	Total
31 December 2022				
Fixed assets	11,118	-	4,850	15,968
Trade receivables and other debit balances	-	6,045	-	6,045
Cash and cash equivalents	-	5,113	-	5,113
	11,118	11,158	4,850	27,126
Impairment	-	-	-	-
Balance	11,118	11,158	4,850	27,126

(ii) Liabilities

	Mena Home Furnishing Malls Ltd.	Ledmore Holding Limited	Asenpro	Total
30 September 2023				
Trade payables and other credit balances	1,628	1,401	-	3,029
Deferred tax	-	-	249	249
Balance	1,628	1,401	249	3,278

	Mena Home Furnishing Malls Ltd.	Ledmore Holding Limited	Asenpro	Total
31 December 2022				
Trade payables and other credit balances	1,302	1,120	-	2,422
Deferred tax	-	-	249	249
Balance	1,302	1,120	249	2,671

5. Investments in associates and joint ventures

(i) Carrying amounts of investments in associates and joint ventures

The carrying amount of equity-accounted investments has changed as follows in the nine months ended 30 September 2023 as follows:

	30 September 2023
31 December 2022	668,561
Share of loss of investments in associates in the interim condensed consolidated statement of profit or loss	(30,052)
Share of loss of investments in associates in the interim condensed consolidated statement of comprehensive income	25,008
Disposals of associates (ii)	(274,153)
Balance	389,364

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5. Investments in associates and joint ventures (continued)

(ii) Disposal of associates

A) Disposal of "Ascom Precious Metals (APM)"

On 6 September 2023, The Group's management through "ASEC Company for Mining (ASCOM)" sold its shares in "Ascom Precious Metals (APM) - Ethiopia" to "Allied Gold ET 2 Corp" for an amount of USD 111,825,084 which is receivable as follows:

1) 11,465,795 shares in "Allied Gold Corporation" (Listed entity in the Canadian Stock Exchange). The market value of these shares on 6 September 2023 was USD 46,224,353 at USD 4.0315 per share.

2) An outstanding remaining amount of USD 65,600,731 to be paid in three instalments over four years under the conditions mentioned below:

Instalment	Amount (USD)	Instalment date	Payment terms
First instalment	24,296,567	7 September 2024	"Allied Gold ET 2 Corp" has the option to pay either: **A)** 100% in cash, or **B)** 50% in cash and the other 50% equivalent in shares of "Allied Gold Corporation" at the market price on the date of payment.
Second instalment	20,652,082	7 September 2025	"Allied Gold ET 2 Corp" has the option to pay either: **A)** 100% equivalent in shares of "Allied Gold Corporation" at the market price on the date of payment, or
		7 September 2026	100% in cash
Third instalment	20,652,082	7 September 2027	100% in cash
Total	**65,600,731**		

The second and third instalments were discounted using a discount factor of 6% annually equivalent to similar financial instruments, the total present value of the outstanding balance of USD 57,994,837 was classified in trade and other receivables at amortized cost and fair value through profit or loss as follows as of 30 September 2023:

	30 September 2023		
	Current	**Non-current**	**Total**
Measured at amortized cost:			
Present value	375,303	638,014	**1,013,317**
Expected credit loss	(85,856)	(145,955)	**(231,811)**
	289,447	**492,059**	**781,506**
Measured at FVTPL (Note 6(f))			
Present value	412,350	1,606,004	**2,018,354**
	412,350	**1,606,004**	**2,018,354**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5. Investments in associates and joint ventures (continued)

(ii) Disposal of associates (continued)

B) Disposal of "Allmed Medical Industries - UK"

In July 2023, the Group management through "Grandview Investment Holdings Corporation" sold its 30% shares in "Allmed Medical Industries - UK" for an amount of EGP 138.4 million.

C) Gain on sale of associates

The below table represents the gains / (losses) on sale of associates for the period ended 30 September 2023.

	Ascom Precious Metals (APM)	Allmed Medical Industries - UK	Total
Consideration received	3,219,690	138,400	**3,358,090**
(Less):Transaction cost	(23,202)	-	**(23,202)**
(Less): Carrying amount of investment at the date of sale	(117,737)	(156,416)	**(274,153)**
Gains / (losses) on sale of associates	**3,078,751**	**(18,016)**	**3,060,735**

6. Financial assets and financial liabilities

6(a) Borrowings

	30 September 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Bank loans	76,664,319	4,228,906	**80,893,225**	68,744,861	3,813,494	**72,558,355**
Loans from related parties	9,132,500	-	**9,132,500**	5,921,973	813,186	**6,735,159**
	85,796,819	**4,228,906**	**90,025,725**	**74,666,834**	**4,626,680**	**79,293,514**
Secured and Unsecured						
Short term facilities and Bank overdrafts	8,502,208	-	**8,502,208**	8,280,211	-	**8,280,211**
	8,502,208	-	**8,502,208**	**8,280,211**	-	**8,280,211**
Total borrowings	**94,299,027**	**4,228,906**	**98,527,933**	**82,947,045**	**4,626,680**	**87,573,725**

6(b) Borrowing from financial leasing entities

	30 September 2023
Borrowing from financial leasing entities (current portion)	155,425
Borrowing from financial leasing entities (non current portion)	666,405
Balance at 30 September 2023	821,830

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6. Financial assets and financial liabilities (continued)

6(b) Borrowing from financial leasing entities (continued)

- One of the Group's subsidiaries signed a financing contract. The contractual value of the contract amounted to EGP 321.9 million is divided into two tranches.

  The total value of the first tranche amounted to EGP 208.2 million with interest rate 3% above LIBOR to be paid in quarterly installments until 20 March 2028.

  The interest charged to interim condensed consolidated statement of profit or loss during the period ended 30 September 2023 amounted to EGP 55.2 million.

- One of the Group's subsidiaries signed a financing contract. The contractual value of the contract amounted to EGP 388.7 million with interest rate 11.41% for seven years and the first payment was in April 2023.

  The interest charged to interim condensed consolidated statement of profit or loss during the period ended 30 September 2023 amounted to EGP 33 million.

6(c) Maturities of financial liabilities

The table below summarises the maturities of the Group's financial liabilities at 30 September 2023 and 31 December 2022, based on contractual payment dates.

	Below six months	From six months to one year	From one year to two years	Above two years
30 September 2023				
Borrowings and interest	78,278,698	16,020,329	3,145,573	4,448,704
Trade payables and other credit balances	17,326,766	5,517,860	179,700	658,623
Due to related parties	-	2,478,033	-	-
Lease Liabilities	212,539	240,432	743,529	1,654,088
Borrowing from financial leasing entities	155,425	-	-	666,405
Derivative financial instruments	-	-	2,219	-
Financial liabilities at fair value through profit or loss	-	883,669	-	-
Total	**95,973,428**	**25,140,323**	**4,071,021**	**7,427,820**
31 December 2022				
Borrowings and interest	68,855,288	14,091,757	3,441,448	4,867,152
Trade payables and other credit balances	11,603,164	3,787,894	163,368	598,764
Due to related parties	-	2,148,432	-	-
Lease Liabilities	173,897	196,719	728,119	1,619,805
Borrowing from financial leasing entities	89,615	-	-	686,432
Derivative financial instruments	-	-	2,219	-
Financial liabilities at fair value through profit or loss	-	676,325	-	-
Total	**80,721,964**	**20,901,127**	**4,335,154**	**7,772,153**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6. Financial assets and financial liabilities (continued)

6(d) Recognised fair value measurements

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of financial instruments that are recognized and measured at fair value in the interim condensed financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under EAS 45 "*Fair value measurement*". An explanation of each level follows underneath the table.

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorized are as follows.

Recurring fair value measurements At 30 September 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL				
Listed equity instruments	1,230,702	-	-	**1,230,702**
Financial assets at FVOCI				
Unlisted equity instruments	-	13,886	-	**13,886**
Hedging derivatives – interest rate swaps	-	-	349,763	**349,763**
Total financial assets	**1,230,702**	**13,886**	**349,763**	**1,594,351**
Financial liabilities				
Written call option agreement (CCII)	-	-	2,219	**2,219**
Trading derivatives	-	883,669	-	**883,669**
Total financial liabilities	**-**	**883,669**	**2,219**	**885,888**

Recurring fair value measurements At 31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVOCI				
Unlisted equity instruments	-	11,286	-	**11,286**
Hedging derivatives – interest rate swaps	-	-	339,259	**339,259**
Total financial assets	**-**	**11,286**	**339,259**	**350,545**
Financial liabilities				
Written call option agreement (CCII)	-	-	2,219	**2,219**
Trading derivatives	-	676,325	-	**676,325**
Total financial liabilities	**-**	**676,325**	**2,219**	**678,544**

There were no changes in the valuation technique for level 3 recurring fair value measurements during the period ended 30 September 2023 and 31 December 2022.

Level 1: The fair value of financial instruments traded in active markets (such as trading instruments) is based on quoted market prices (unadjusted) at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6. Financial assets and financial liabilities (continued)

6(d) Recognised fair value measurements (continued)

Fair value hierarchy (continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and over the counter derivatives.

Transfers between levels of fair value hierarchy are deemed to occur at the end of each semi -annual reporting period.

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Unlisted equity investments compose interest in an investment fund. Fair value is measured by reference to published net asset value of the fund.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Aside from traded financial instruments, which are included in level 1, all of the resulting fair value estimates are included in level 2 except for derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 30 September 2023 and 31 December 2022:

Assets / (liabilities)	Hedging derivatives – interest rate swaps (ERC)	Hedging derivatives – interest rate swaps (TAQA)	Written call option agreement (CCII)	Total
Opening balance at 1 January 2022	**(220,368)**	**(73,066)**	**(2,219)**	**(295,653)**
Gains recognised through profit and loss	480,409	-	-	480,409
Gains recognised through other comprehensive income	-	112,971	-	112,971
Foreign currency translation	53,590	(14,277)	-	39,313
Closing balance at 31 December 2022 and 1 January 2023	**313,631**	**25,628**	**(2,219)**	**337,040**
Losses recognised through profit and loss	(109,182)	-	-	(109,182)
Gains recognised through other comprehensive income	-	36,901	-	36,901
Foreign currency translation	78,529	4,256	-	82,785
Closing balance at 30 September 2023	**282,978**	**66,785**	**(2,219)**	**347,544**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6. Financial assets and financial liabilities (continued)

6(d) Recognised fair value measurements (continued)

iv) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Description	Fair value at 30 September 2023	Fair value at 31 December 2022	Un-observable inputs *	Range of Inputs 30 September 2023	Range of Inputs 31 December 2022	Valuation technique 30 September 2023	Valuation technique 31 December 2022	Inputs used 30 September 2023	Inputs used 31 December 2022	sensitivity analysis
Hedging derivatives – Interest rate swaps (ERC)	282,978	313,651	Credit default rate	1.32%	1.32%	Discounted Cash flows dollar offset method	Discounted Cash flows dollar offset method	Yield curve Terminal growth Growth rate for years 1 to 5	Yield curve Terminal growth Growth rate for years 1 to 5	If an observable input changed by 1% this would result in change in fair value by EGP 40M
Interest rate swap contracts – cash flow hedge (TAQA)	66,785	25,628	Credit default rate	2.3%	2.3%	Discounted Cash flows dollar offset method	Discounted Cash flows dollar offset method	Yield curve Terminal growth Growth rate for years 1 to 5	Yield curve Terminal growth Growth rate for years 1 to 5	If an observable input changed by 1% this would result in change in fair value by EGP 66.7M.
Written call option agreement	(2,219)	(2,219)	Probability of default rate	1.86%	1.86%	Option valuation model black Scholes	Option valuation model black Scholes	- Risk free interest rate & volatility	- Risk free interest rate & volatility	If an observable input changed by 5% this would result in change in fair value by 8K.

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

There were no changes in the valuation technique for level 3 recurring fair value measurements during the period ended 30 September 2023 and 31 December 2022.

v) Valuation processes

The finance department of relevant subsidiary includes a team that performs the valuations on quarterly basis. The finance department places a partial reliance on experts in the valuation of hedging derivatives.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by the Group's internal credit risk management.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6. Financial assets and financial liabilities (continued)

6(d) Recognised fair value measurements (continued)

vi) Valuation processes for recurring and non recurring level 3 fair value measurements

Level 3 valuations are reviewed by the Group's financial officer who reports to the Board of Directors. The financial officer considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques. In selecting the most appropriate valuation model the financial officer performs back testing and considers which model's results have historically aligned most closely to actual market transactions.

The level three debt instruments are valued at the net present value of estimated future cash flows.

The Group also considers liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

vii) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analyzed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

	30 September 2023		31 December 2022	
	Level 3 fair value	Carrying value	Level 3 fair value	Carrying value
Assets				
Financial assets at amortized cost				
Trade and other receivables	23,194,297	23,194,297	21,543,220	21,543,220
Due from related parties	687,701	687,701	497,719	497,719
Restricted cash	7,796,359	7,796,359	638,722	638,722
Cash and cash equivalents	9,359,424	9,359,424	8,652,942	8,652,942
Total assets	41,037,781	41,037,781	31,332,603	31,332,603

	30 September 2023		31 December 2022	
	Level 3 fair value	Carrying value	Level 3 fair value	Carrying value
Liabilities				
Borrowings				
Loans and borrowings	98,527,933	98,527,933	87,573,725	87,573,725
Other financial liabilities				
Lease liabilities	1,939,795	1,939,795	1,826,624	1,826,624
Trade and other payables	19,858,196	19,858,196	13,384,917	13,384,917
Due to related parties	2,478,033	2,478,033	1,857,138	1,857,138
Total liabilities	122,803,957	122,803,957	104,642,404	104,642,404

The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

Financial assets carried at amortized cost

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6. Financial assets and financial liabilities (continued)

6(d) Recognised fair value measurements (continued)

Liabilities carried at amortized cost

Fair values of other liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

viii) Presentation of financial instruments by measurement category

For the purposes of measurement, Egyptian Accounting Standard no.47 "Financial Instruments" classifies financial assets into the following categories: (a) financial assets at fair value through profit or loss, (b) debt instruments at fair value through other comprehensive income, (c) equity instruments at fair value through other comprehensive income and (d) financial assets at amortized cost. Financial assets at fair value through profit or loss have two sub-categories: (i) Financial assets mandatorily measured at fair value through profit or loss and (ii) assets designated as such upon initial recognition. In addition, finance lease receivables form a separate category.

6(e) Restricted cash

This amount represents the debt service and maintenance amounts that one of the Group's subsidiary must cover in separate bank accounts according to the loan agreements between the subsidiary and a group of lenders exclusively for the purpose of settling the financial requirements per the mentioned contracts.

6(f) Financial asset at fair value through profit or loss

On 6 September 2023, The Group's management through "ASEC Company for Mining (ASCOM)" sold its shares in "Ascom Precious Metals (APM) - Ethiopia" to "Allied Gold ET 2 Corp". The transaction amount included the transfer of 11,465,795 shares in "Allied Gold Corporation" (Listed entity in the Canadian Stock Exchange). The market value of these shares on 6 September 2023 was USD 46,224,353 at USD 4.0315 per share.

The Group classified the shares as financial assets through profit or loss (FVTPL) as they are acquired primarily for the purpose of trading (held for trading). The Group classified the shares as current assets as they are expected to be recovered within a maximum of 12 months from the period end date.

On September 30, 2023, the Company recorded a fair value valuation loss on financial assets due to a change in the share price on the Canadian Stock Exchange on that date.

Below is the change in fair value on financial asset due to the change in the share price of "Allied Gold Corporation" in the Canadian Stock Exchange for the period ended 30 September 2023:

	30 September 2023	31 December 2022
Balance as of January 1	-	-
Additions	1,803,332	-
Financial asset fair value change through profit or loss	(197,328)	-
	1,606,004	-

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7. Non-financial assets and liabilities

7(a) Fixed assets

Non-current	Freehold land	Freehold buildings	Furniture, fittings and equipment	Machinery, barges and vehicles	Assets under construction	Total
At 31 December 2022						
Cost	2,436,147	11,988,695	2,005,171	105,806,728	1,913,797	124,150,538
Accumulated depreciation and impairment	(5,696)	(2,522,126)	(934,065)	(25,306,311)	(432,842)	(29,201,040)
Net book amount at 31 December 2022	**2,430,451**	**9,466,569**	**1,071,106**	**80,500,417**	**1,480,955**	**94,949,498**
Period ended 30 September 2023						
Opening net book amount	**2,430,451**	**9,466,569**	**1,071,106**	**80,500,417**	**1,480,955**	**94,949,498**
Additions	63,441	61,193	32,629	713,498	933,431	1,804,192
Disposals	-	-	(400)	(25,788)	-	(26,188)
Transfers from projects under construction	-	158,136	10,681	271,668	(440,485)	-
Transfers to intangible assets	-	(198,226)	-		(262)	(198,488)
Foreign currency translation difference – cost	329,369	2,330,456	366,777	23,441,634	174,116	26,642,352
Effect of hyperinflation – cost	22,475	549,381	43,369	7,386,679	-	8,001,904
Depreciation expense	(756)	(474,897)	(133,294)	(5,842,695)	-	(6,451,642)
Accumulated depreciation of disposals	-	-	360	24,634	-	24,994
Transfers to intangible asset – accumulated depreciation	-	24,594	-	-	-	24,594
Foreign currency translation difference – accumulated depreciation	(444)	(361,826)	(138,418)	(4,604,272)	-	(5,104,960)
Effect of hyper-inflation – accumulated depreciation	(4,088)	(335,268)	(34,725)	(2,986,292)	-	(3,360,373)
Impairment	-	-	-	-	(15)	(15)
Net book value at 30 September 2023	**2,840,448**	**11,220,112**	**1,218,085**	**98,879,483**	**2,147,740**	**116,305,868**
At 30 September 2023						
Cost	2,851,432	14,889,635	2,458,227	137,594,419	2,580,597	160,374,310
Accumulated depreciation and impairment	(10,984)	(3,669,523)	(1,240,142)	(38,714,936)	(432,857)	(44,068,442)
Net book value at 30 September 2023	**2,840,448**	**11,220,112**	**1,218,085**	**98,879,483**	**2,147,740**	**116,305,868**

7(b) Investment in properties

Non-current	Land	Building	Total
At 31 December 2022			
Cost	-	-	-
Accumulated amortization and impairment	-	-	-
Net book amount at 31 December 2022	-	-	-
Period ended 30 September 2023			
Opening net book amount	-	-	-
Transfer from assets held for sale	4,123	5,852	9,975
Net book value at 30 September 2023	4,123	5,852	9,975
At 30 September 2023			
Cost	4,123	5,852	9,975
Accumulated amortization and impairment	-	-	-
Net book amount at 30 September 2023	4,123	5,852	9,975

Investment property is property held by the Group to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment properties are stated at cost, less accumulated depreciation and provision for impairment, where required. Depreciation on buildings is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. Land is not depreciated.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7. Non-financial assets and liabilities (continued)

7. (b) Investment in properties (continued)

If any indication exists that investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs of disposal. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. An impairment loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to fixed assets.

Fair value of investment in properties as of 30 September 2023

In accordance with the requirements of EAS (34) "Investment Properties", and for disclosure purposes, the Group determines the fair value of investment properties on the basis of its valuation by an independent professional evaluator. The impact on the interim condensed statement of financial position at 30 September 2023, if restated at the fair value of investment properties, is as follows:

	30 September 2023	Fair Value Adjustments	Value adjusted at fair value for 2023
Non-current assets			
Investment properties	9,975	287,217	**297,192**
Equity			
Accumulated losses	(25,027,851)	137,919	**(24,889,932)**
Non-controlling interests	50,384,773	149,298	**50,534,071**

7(c) Right of use assets

Right of use assets is recognised and classified as part of similar assets. Below is analysis for net book value of right of use assets leased under finance lease arrangements at 30 September 2023:

Non-current	Land	Buildings	Electricity supply contract	Machinery	Vehicles	Total
At 31 December 2022						
Cost	988,019	850,015	373,744	91,867	44,683	2,348,328
Accumulated amortization and impairment	(155,222)	(173,447)	(78,110)	(27,638)	(16,910)	(451,327)
Net book amount at 31 December 2022	**832,797**	**676,568**	**295,634**	**64,229**	**27,773**	**1,897,001**
Period ended 30 September 2023						
Opening net book amount	**832,797**	**676,568**	**295,634**	**64,229**	**27,773**	**1,897,001**
Additions	-	57,386	-	-	2,621	60,007
Disposals	-	(198)	-	-	(724)	(922)
Foreign currency translation difference – cost	221,952	39,741	93,675	(10,835)	1,306	345,839
Amortization charged during the period	(46,836)	(50,119)	(26,552)	(7,028)	(11,922)	(142,457)
Accumulated amortization of disposal	-	107	-	-	453	560
Foreign currency translation difference – accumulated amortization	(34,729)	(39,109)	(19,668)	10,835	(1,085)	(83,756)
Net book value at 30 September 2023	**973,184**	**684,376**	**343,089**	**57,201**	**18,422**	**2,076,272**
At 30 September 2023						
Cost	1,209,971	946,944	467,419	81,032	47,886	2,753,252
Accumulated amortization and impairment	(236,787)	(262,568)	(124,330)	(23,831)	(29,464)	(676,980)
Net book amount at 30 September 2023	**973,184**	**684,376**	**343,089**	**57,201**	**18,422**	**2,076,272**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7. Non-financial assets and liabilities (continued)

7(d) Provisions

	Provision for claims*	Legal provisions	Other provisions	Total
Balance at 31 December 2022 and 1 January 2023	**2,655,964**	**8,771**	**1,777,913**	**4,442,648**
Provisions formed	175,432	728	260,913	**437,073**
Provisions used	(227,184)	(103)	(87,997)	**(315,284)**
Provisions no longer required	(270,945)	(1,141)	(7,102)	**(279,188)**
Transfer from liabilities	3,113	-	-	**3,113**
Foreign currency translation	91,782	2,023	472,841	**566,646**
Balance at 30 September 2023	**2,428,162**	**10,278**	**2,416,568**	**4,855,008**

* The provisions for claims have been formed against the probable claims from external parties in relation to Group activities. Information usually published on the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with that party. The Management reviews these provisions on a yearly basis and the allocated amount are adjusted according to the latest developments, discussions and agreements with such parties.

Provisions for claims have not been discounted due to nature of uncertainty position of maturity dates.

7(e) Inventory

The Group's inventory balance increased during the nine months period in 2023 from EGP 6.4 billion to EGP 10 billion due to the increase in the spare parts and work in process for ERC (subsidiary of the Group) by 1.5 billion. Also, there was an increase in work in process and raw materials inventory balances related to NDT (subsidiary of the Group) by EGP 1.4 billion. Furthermore, there was an increase in raw material inventory balances related to Silverstone (subsidiary of the Group) by EGP 216 million.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

8. Related party transactions

The Group entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Group's board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management. The partners of joint arrangement and non-controlling interest are considered by the Group as related parties. The tables below show the nature and values of transactions with related parties during the period, and the balances due at the date of the interim condensed consolidated financial statements.

8(a) Due from related parties

		Nature of transactions		Balances	
Name of the Company	Nature of relationship	Foreign currency translation differences	Finance	30 September 2023	31 December 2022
Golden Crescent Finco Ltd.	Investee	181,793	-	906,721	724,928
Emerald Financial Services Ltd.	Investee	155,103	1,104	775,040	618,833
Nile Valley Petroleum Ltd.	Investee	133,125	-	665,406	532,281
Citadel Capital Partners	Parent	-	202,449	396,902	194,453
Benu one Ltd.	Investee	64,902	-	323,853	258,951
Logria Holding Ltd,	Investee	29,364	4,587	187,711	153,760
EIIC	Shareholder	37,147	-	185,358	148,211
Rotation Ventures	Investee	33,699	-	168,153	134,454
Golden Crescent Investment Ltd.	Investee	23,621	-	117,865	94,244
Mena Glass Ltd	Associate	21,273	-	106,148	84,875
Visionaire	Investee	8,125	-	40,544	32,419
Sphinx International Management	Investee	233	4,705	39,749	34,811
Egyptian Company for International Publication	Investee	9,236	-	35,896	26,660
Adena	Shareholder	4,644	-	23,170	18,526
Nahda Company – Sudan	Investee	3,992	-	19,921	15,929
El Kateb for Marketing & Distribution	Associate	-	-	598	598
Allmed Medical Industries	Associate	-	(25,196)	-	25,196
Others		11,637	(70,716)	54,713	113,792
Total				**4,047,748**	**3,212,921**
Less: Accumulated impairment loss*				(3,360,047)	(2,715,202)
				687,701	**497,719**

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

8. Related party transactions (continued)

8.(a) Due from related parties (continued)

* The accumulated impairment loss of due from related parties is as follows:

	Balance as of 1 January 2023	Foreign currency translation differences	Formed / (No longer required)	Balance as of 30 September 2023
Golden Crescent Finco Ltd.	724,928	181,793	-	906,721
Emerald Financial Services Ltd.	618,833	155,003	1,204	775,040
Nile Valley Petroleum Ltd.	532,281	133,125	-	665,406
Benu One Ltd	258,951	64,902	-	323,853
Logria Holding Ltd.	153,760	38,510	(4,559)	187,711
Rotation Ventures	134,454	33,699	-	168,153
Golden Crescent Investment Ltd.	94,244	23,621	-	117,865
Mena Glass	84,875	21,273	-	106,148
Visionaire	32,419	8,125	-	40,544
Allmed Medical Industries	25,196	6,315	(31,511)	-
Nahda	15,929	3,992	-	19,921
Sphinx International Management	4,213	1,048	(451)	4,810
Egyptian Company for International Publication	406	-	-	406
Citadel Capital Partners	133	33	72	238
El Kateb for Marketing & Distribution	60	-	-	60
EIIC	20	5	-	25
Others	34,500	8,646	-	43,146
	2,715,202	680,090	(35,245)	3,360,047

8(b) Due to related parties

Name of the company	Nature of relationship	Nature of transactions: Foreign currency translation differences	Nature of transactions: Finance	Balances: 30 September 2023	Balances: 31 December 2022
Mena Glass Ltd.	Associate	129,031	-	803,837	674,806
Castrol Egypt	Associate	-	146,239	204,885	58,646
Others		28,531	-	41,125	12,594
				1,049,847	746,046
Due to shareholders					
IFC	Shareholder in subsidiary	137,143	49,523	733,840	547,174
FHI	Shareholder in subsidiaries	97,206	(20,174)	520,344	443,312
El-Rashed	Shareholder in subsidiary	34,852	-	94,934	60,082
Omran	Shareholder in subsidiary	6,226	4,074	42,844	32,544
Ahmed Heikal	Chairman	31	-	843	812
Others		8,213	-	35,381	27,168
				1,428,186	1,111,092
				2,478,033	1,857,138

8(c) Key management compensation

The Group paid EGP 378,556 as salaries and benefits to senior management personnel during the period ended 30 September 2023 (30 September 2022: EGP 215,130).

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

8. Related party transactions (continued)

8(d) Terms and conditions

Transactions relating to dividends, calls on partly paid ordinary shares and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

The loans to related parties are repayable between 1 to 10 years from the reporting date. The average interest rate on the loans to related parties during the period was 7.5% (31 December 2022: 7.5%).

Outstanding balances are secured and are repayable in cash.

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period after excluding ordinary shares held in treasury.

	30 September 2023	30 September 2022 (Restated)
Net Profit for the period	7,098,633	13,059,309
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000	1,820,000
Earnings per share (EGP)	**3.90**	**7.18**

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any categories of dilutive potential ordinary shares on 30 September 2023 and 30 September 2022, hence the diluted earnings per share is the same as the basic earnings per share.

10. Basis of preparation of the interim condensed consolidated financial statements

Compliance with EAS

The interim condensed consolidated financial statements for the financial period ended 30 September 2023 have been prepared in accordance with the requirements of the Egyptian Accounting Standard (30) "Interim Financial Statements".

These interim condensed consolidated financial statements don't contain all the information required in preparing the full annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

The accounting policies adopted in the preparation of this interim condensed consolidated financial information are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax (see note 3(c)) and the adoption of new and amended standards as set out below.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

10. Basis of preparation of the interim condensed consolidated financial statements (continued)

Summary of material modifications of the Egyptian Accounting Standards 2023

The Minister of Investment issued Decision No. 883 of 2023 in March 2023, amending some rules of Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. These amendments were published in the accounting standards in the Official Gazette on 6 March 2023. The most important amendments are summarized as follows, which are implemented for the financial periods beginning on or after 1 January 2023. The Group's management is in the process of evaluating the impact of applying these amendments. Thus, it was not yet implemented by the Group.

Accounting standard	Amendment summary	Application date
EAS No. 10 "Fixed Assets and Its Depreciation"	**"Scope of the Standard"** The standard has been altered to include bearer plants. **"Measurement"** - The option of revaluing fixed assets has been added to the current standard. - The fair value of an asset is determined through revaluation and pricing experts who are registered in the Financial Regulatory Authority. - Paragraph 20(A) has been added, according to which the Group must record the proceeds from the sale of any output produced during the delivery of the fixed asset to the condition necessary for it to be operable in the manner intended by the management within the consolidated statement of profit or loss. **"Disclosures"** Some new disclosures have been added to the re-evaluation model.	The Group applies the amendments to add the option of using the revaluation model to the financial periods starting on or after 1 January 2023, retroactively, with recording the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the Group applies it for the first time.
Egyptian Accounting Standard No. 23 "Intangible Assets"	**"Scope of the standard"** The scope of the intangible asset standard has been modified to include the rights held by the lessee under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights.	The Group applies the amendments to add the option to use the revaluation model on the financial periods starting on or after 1 January 2023, retroactively, with recording of the cumulative effect of applying the revaluation model first by adding it to the

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Accounting standard	Amendment summary	Application date
	"Measurement" - An option to apply the revaluation model for intangible assets has been added. - The fair value is determined through an estimate made by experts specialized in evaluation and valuation among those registered in a register dedicated to that in the General Authority for Financial Supervision. "Disclosures" Some new disclosures related to the revaluation model have been added.	revaluation account within equity at the beginning of the financial period in which the facility applies this model for the first time.
Amendments to the Egyptian Accounting Standard "Fixed Assets and Its Depreciation" No. (10) and the Egyptian Accounting Standard No. (23) "Intangible Assets" related to depreciation and amortization.	This amendment clarifies that it is not permissible to use the depreciation method that depends on the revenues generated from the activity that includes the depreciation of the asset, since the generation of revenues related to the asset reflects factors other than the consumption of the economic benefits related to the asset. It is possible to refute this assumption in limited cases related to intangible assets when there is a close correlation between the volume of revenue and the intangible asset.	Applies to financial periods beginning on or after 1 January 2023.
Egyptian Accounting Standard No. (34) "Investment property"	"Measurement" - The option of applying the fair value model for property investment has been added. - The fair value is determined by estimation that is carried out by experts specialized in valuation and pricing among those registered in a in the Financial Regulatory Authority.	The Group applies the amendments to add the option to use the fair value model on the financial periods that start on or after 1 January 2023, retroactively, with recording of the cumulative effect to apply the fair value model initially by adding it to the fair value surplus within consolidated statement of changes in equity at the beginning of the financial period in which it is based. The Group applies this model for the first time.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Accounting standard	Amendment summary	Application date
Egyptian Accounting Standard No. (36) "Exploration for and Evaluation of Mineral Resources"	"Measurement" The option of using the re-evaluation model has been added, and it is processed according to the re-evaluation model in Fixed Assets Standard No. 10. Re-valuation is to be carried out by experts specialized in valuation and pricing registered in the Ministry of Petroleum. "Disclosure" Some new disclosures have been added to the re-evaluation model.	The Group applies the amendments to add the option of using the revaluation model to the financial periods that start on or after 1 January 2023 retroactively, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus within consolidated statement of changes in equity at the beginning of the financial period in which it is based. The Group applies this model for the first time.
Egyptian Accounting Standard No.(49) "Leases"	"Measurement" The option of the revaluation model was added to all right of use assets, if the right of use asset is related to a category of fixed assets in which the lessee applies the revaluation model contained in Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation". "Disclosures" Some new disclosures have been added regarding the revaluation model in accordance with Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation".	The Group applied the amendments to add the option to use the revaluation model on the financial periods beginning on or after 1 January 2023 retroactively, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus within consolidated statement of changes in equity at the beginning of the financial period in which it is based. The Group applies this model for the first time.
Egyptian Accounting Standard No. (35) "Agriculture"	"Scope of the standard" The scope of the standard has been amended as bearer plants related to agricultural activity have been excluded from the agriculture standard to become under the scope of the fixed assets standard Accounting Standard No. (10), but this standard applies to the product that grows on bearer plants - government grants related to fruit plants have been excluded.	The amendments apply to financial periods beginning on or after 1 January 2023.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Accounting standard	Amendment summary	Application date
	"Definitions" An amendment to some definitions, whereby the definition of bearer plants was added.	
Egyptian Accounting Standard No. (50) "Insurance Contracts"	The new Egyptian Accounting Standard No. (50) "Insurance Contracts" replaces the adjusted Egyptian Accounting Standard No. (37). This standard defines the principles for recording insurance contracts that fall within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the entity provides appropriate information that faithfully reflects those contracts. This information provides users of the financial statements with the necessary basis for evaluating the effects of those insurance contracts on the Group's financial position, financial performance, and cash flows. The Group shall apply the accounting standard no. 50 "insurance contracts", including reinsurance contracts, that it issues; reinsurance contracts it holds; and investment contracts with facultative participation features that the Group issues, provided that the Group also issues insurance contracts.	The application will be available from 1 July 2024 or from the beginning of the annual financial period after 1 July 2024.
Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"	Refer to note 13	

10. Basis of preparation of the interim condensed consolidated financial statements (continued)

The following Egyptian Accounting Standards have been amended to comply with the addition of the option to apply the revaluation model and the fair value model as mentioned in the above paragraphs.

A) Egyptian Accounting Standard No. (1) "Presentation of Financial Statements"
B) Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors "
C) Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"
D) Egyptian Accounting Standard No. (24) "Income Taxes"
E) Egyptian Accounting Standard No. (31) "Impairment of Assets"
F) Egyptian Accounting Standard No. (32) "Non-current Assets Held for Sale and Discontinued Operations"

11. Critical judgments in applying the Group's accounting policies

In general, applying the Group accounting policies does not require judgments other than the below and apart from those involving estimates that have significant effects on the amounts recognized in the interim condensed consolidated financial statements.

(a) Hyperinflationary Economies

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates is currency of a hyperinflationary economy.

Various characteristics of the economic environment of Sudan are taken into account. These characteristics include, but are not limited to, whether: the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency; prices are quoted in a relatively stable foreign currency; sales or purchase prices take expected losses of purchasing power during a short credit period into account; interest rates, wages and prices are linked to a price index; and the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Following management's assessment, the Group's subsidiary in Sudan, Al-Takamol for Cement has been accounted for as entities operating in hyperinflationary economies.

(b) Consolidation of Arab Refining Company – S.A.E "ARC" and its subsidiary Egyptian Refining Company – S.A.E ("ERC")

The Group currently holds 31.75% in Orient Investment Properties Ltd, which is the majority shareholder of ARC. ARC has a shareholding of 66.6% in ERC. Through the various shareholding structures, the Group holds an effective 13.1% shareholding in ERC and consolidates the ERC entity. ERC represents the most substantial portion of Orient and ARC.

ERC was set up for the purpose of constructing and operating refinery project and aims to provide benefits for its stakeholders such as debt and equity financiers in addition to cost savings to Egyptian General Petroleum Corporation (EGPC). The Group was involved with the setup and design of ERC.

11. Critical judgments in applying the Group's accounting policies (continued)

(b) Consolidation of Arab Refining Company – S.A.E "ARC" and its subsidiary Egyptian Refining Company – S.A.E ("ERC") (continued)

In August 2019 ERC started its pre-completion operations which resulted in supplying EGPC with LPG, reformate, JET fuel, Diesel and Fuel oil products.

The full operation phase started at the beginning of the year 2020.

According to the clauses in ERC Deed of Shareholders Support the Group shall prior to the project completion and for two years thereafter, have control over ERC's decision-making, management and operations. Contractually with these clauses, the Group has the full ability to direct the relevant activities of ERC until two years post to the project completion terms have been met. The Group will need to reassess control if the Deed of Shareholders Support clauses no longer apply as this may result in control being lost by the Group at this date.

Whilst Egyptian General Petroleum Corporation (EGPC - significant shareholder in ERC) and ERC have entered into several contractual arrangements, which will be effective during the operational phase, these have been assessed and do not provide Egyptian General Petroleum Corporation (EGPC) with the control to direct the relevant activities of ERC. The Deed of Shareholders Support would override any such clauses in other contractual arrangements including any shareholder agreements of ARC or Orient Investment Properties if such clauses are contrary to the Group having control.

As at the 31 December 2020, ERC defaulted on certain of the loans with lenders. This has not impacted the rights afforded to the Group to direct the relevant activities via the Deed of Shareholders Support.

The Group is exposed to variable returns with the involvement with ERC. Variable returns consist of equity returns, fees for service contracts, guarantee fees incurred by the Group on behalf of ERC and exposure to reputational risk.

Management is of the view that the Group has control over ERC by virtue of shareholders agreements, exposure, or rights, to variable returns from its involvement with ERC; and can use its control over ERC to affect the amount of the Group's variable returns. Management considers that the relevant activities that most significantly affect variable returns will not be derived during the construction phase of the project but rather during the operational phase.

Furthermore, management has applied judgement in determining if the Group controls Orient and ARC. It should be noted that ERC represents the most significant variable returns of both Orient and ARC. As such, whatever conclusion is reached for ERC would be considered appropriate for Orient and ARC.

In determining the appropriate accounting treatment for ERC, Orient and ARC management applied significant judgment. If management's judgments were to change, this would result in the deconsolidation of ARC and its subsidiary ERC. ERC currently has consolidated assets and liabilities impacting the consolidated financial position amounting to approximately EGP 137 billion and EGP 82.6 billion respectively as of 30 September 2023 and with a consolidated profit of EGP 4.3 billion for the nine months period. The primary assets and liabilities making up these totals are represented in the fixed assets amounted EGP 96 billion, Trade and other payables amounted to EGP 12.1 billion and loans liabilities amounted to EGP 56.2 billion.

11. Critical judgments in applying the Group's accounting policies (continued)

(c) Functional currencies of different entities of the Group

Different entities within the Group have different functional currencies, based on the underlying primary economic environment in which the entities operate. Determining the functional depends on the currency which an entity generates and expends cash. The functional currency is the currency which:

- Mainly influences prices for goods and services,
- The country which competitive forces and regulations mainly determine the prices.
- The currency that influences labor, material and other costs of providing goods and services.

In some instances, it is not clear from the above what the functional currency should be, and consideration would be given to the currency financing is obtained and currency receipt of cash is retained. Management have exercised judgement in assessing the functional currency of some of the entities.

Specifically, in determination of the functional currency of the Egyptian Refining Company (ERC), the Group based its judgement on the fact that the company operates in a market where the price the goods and services are determined is based on global commodity markets. As such, the USD mainly influences prices of goods and services in ERC as well as a large proportion of labor, material and other costs. Moreover, the US Dollar is the currency in which ERC's business risks and exposures are managed, financing is obtained and cash from operating activities are retained. On this basis, management determined the functional currency for ERC to be USD.

(d) Assessing whether the arrangement with EGPC is or contains a lease

ERC and EGPC signed a series of agreements where EGPC agreed that ERC would undertake a project to construct, operate, maintain and own at Mostorod a hydro-cracking complex to produce high value petroleum product and EGPC would off-take all the end products produced from the complex except for coke and Sulphur.

In line with the requirements Egyptian Accounting Standard 49, the Group has assessed whether the arrangement with EGPC is or contains a lease over the hydro-cracking complex. In making the assessment the Group considered the contractual provisions of the contracts and whether those provisions convey to EGPC the right to control the use of the hydro-cracking complex for a consideration over the period of the contract.

Egyptian Accounting Standard 49 states that the arrangement is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The contractual provisions of the contracts between EGPC and ERC do not convey to EGPC the right to control the use of the hydro-cracking complex over the duration of the off-take agreement. Furthermore, ERC controls the operations and maintenance of the hydro-cracking complex over the duration of the contract and decides on how the output would be by determining the appropriate product mix.

11. Critical judgments in applying the Group's accounting policies (continued)

(d) Assessing whether the arrangement with EGPC is or contains a lease (continued)

Although EGPC obtains substantially all the economic benefit from the hydro-cracking complex, albeit the product is purchased at market price, this indicator alone is not sufficient in isolation to conclude EGPC control the use of the complex. To control the use of the complex, EGPC is required to have not only the right to obtain substantially all of the economic benefits from use of an asset throughout the period of use (a 'benefits' element) but also the ability to direct the use of that asset (a 'power' element), i.e. EGPC must have decision-making rights over the use of the asset that give it the ability to influence the economic benefits derived from use of the asset throughout the period of use.

Management has judged that given the contractual provisions of the contracts do not convey EGPC with rights to control the use of the asset, the arrangement does not contain a lease and as such the arrangement is accounted for under Egyptian Accounting Standard 48 (revenue from contracts with customers) as a contract to provide product to EGPC. If it were judged that the contract should be accounted for as a lease, this may result in no recognition of fixed assets by ERC but possible a finance lease receivable.

(e) Control Grandview Investment Holdings Corporation (Grandview)

Management have considered the accounting treatment and the principals in EAS 42 "Consolidated financial statements" and have determined that Grandview is controlled by the Group. In determining the appropriate accounting treatment for Grandview, management applied significant judgment and if management's judgments were to change, this would result in the deconsolidation of Grandview and its subsidiaries.

In 2005, Grandview Investment Holdings Corporation ("Grandview") was set up by the Group to undertake private equity investment in mid-cap companies in various industry sectors in the Middle East and North Africa. At the inception of Grandview, the Group initially owned 13%.

The Group appointed its subsidiary Sphinx Capital to manage the investments to be held by Grandview. This agreement was formalized through a participation arrangement which gave Sphinx Capital the majority of the voting rights and appointed the majority of the Board of Directors in Grandview and therefore power to control its relevant activities. In 2014 the Group increased its investment in Grandview to 48%.

The following are the key considerations and judgements applied by management in concluding that the Group had control over Grandview:

- The Group is able to appoint 5 of the 9 Board members of Grandview.
- Sphinx Capital has power over Grandview, which is demonstrated by the terms of the Participation agreement, whereby it has full discretion and responsibility over Grandview.

Accordingly, the Group consolidated "Grandview Investment Corporation and its subsidiaries" in the interim condensed consolidated financial statements.

11. Critical judgments in applying the Group's accounting policies (continued)

(e) Control Grandview Investment Holdings Corporation (Grandview) (continued)

Grandview currently has consolidated assets and liabilities impacting the consolidated financial position amounting to approximately EGP 4.7 billion and EGP 3.3 billion respectively as of 30 September 2023 and with a consolidated profit of EGP 523.7 million for the nine months period. The primary assets and liabilities making up these totals are represented in the fixed assets amounted EGP 1.3 billion, Trade and other receivables amounted to EGP 1.4 billion and loans liabilities and overdrafts amounted to EGP 2 billion.

(f) Control over Dar Elsherouk company

The Group have determined that they do not control Dar El-Sherouk Company even though the Group owns 58.5% of the issued capital of this entity. It is not a controlled entity because the Group is not able to use its power over the entity to affect those returns as result of the contractual agreement signed between the Group and other shareholder that give the other shareholders the right to control as the chairman and the majority of board members hired by the other shareholder.

(g) Control over Taqa Arabia S.A.E (TAQA)

Management have considered the accounting treatment and the principals in EAS 42 "Consolidated financial statements" and have determined that TAQA is controlled by the Group. In determining the appropriate accounting treatment for TAQA, management applied significant judgment and if management's judgments were to change, this would result in the deconsolidation of TAQA and its subsidiaries.

On 9 July 2023, TAQA Arabia ("the company"), began trading its shares on the EGX. Following the listing, Silverstone sold 20% of the total shares of TAQA Arabia to the National Service Projects Organization ("NSPO").

Silverstone Capital Investments Ltd, Qalaa for Financial Investments S.A.E "Qalaa", and Citadel Capital Partners LTD, (collectively referred to as the "main shareholder") together with the NSPO signed a shareholder agreement which included certain option rights including a call option whereby Qalaa for Financial Investments may at any time repurchase the sold shares from the NSPO within four years from the date of the deal completion (24 July 2023) at the initial repurchase price plus an annual investment return as detailed in the shareholders agreement.

Considering the option rights that Qalaa have, the following are the key considerations and judgements applied by management in concluding that the Group had control over TAQA:

- Qalaa and its subsidiaries collectively with NSPO has 7 out of the 13 Board members of TAQA.
- Qalaa and its subsidiaries collectively with NSPO owns 55.3% of TAQA shares.

The management have assessed that the call option is substantive and is considered as a potential voting right. The ability to exercise the call option will result in Qalaa retaining the ability to direct the relevant activities of TAQA and accordingly the Group consolidated "TAQA and its subsidiaries" in the interim condensed consolidated financial statements.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

11. Critical judgments in applying the Group's accounting policies (continued)

(g) Control over Taqa Arabia S.A.E (TAQA) (continued)

The Group management has assessed the call option to be a derivative over an equity instrument as per the Egyptian Accounting Standard 47 "Financial instruments" and which should be initially recognized as a financial asset at fair value and subsequently measured at fair value through profit and loss.

The Group management has assessed the fair value of the call option as at 30 September 2023 and have concluded to be not material to the interim consolidated financial statements for the period ended 30 September 2023 and will reassess the fair value for the year ending 31 December 2023.

12. Going concern

The Group earned a net profit of approximately EGP 7.1 billion for the nine-month period ended 30 September 2023, with profit of EGP 1.7 billion allocated to the owners of the parent company and a profit of EGP 5.4 billion allocated to the non-controlling interest (restated 30 September 2022: EGP 13 billion net profit, where profit of EGP 847 million allocated to the owners of the parent company and profit of EGP 12 billion allocated to the non-controlling interest). The Group's accumulated losses have increased to approximately EGP 25 billion as at 30 September 2023 (31 December 2022: EGP 24.7 billion).

As at 30 September 2023 , the Group is financed by borrowings and bank facilities amounting to EGP 98.5 billion and the majority of the financing is within the energy sector. The Group had EGP 9.3 billion of cash and cash equivalents and the majority of the cash is also held within the energy sector.

As of the period ended 30 September 2023 , some of the Group's subsidiaries (mainly under energy sector and at the holding level) were in breach of their existing debt covenants. Furthermore, some of them have defaulted in the settlement of loan installments on their due dates.

As a result of such breaches and defaults, an amount of EGP 68.5 billion was repayable on demand and accordingly, the relevant loans have been classified as current liabilities as of 30 September 2023. This reclassification led to an increase in the Group's current liabilities which exceeded its current assets by EGP 71.8 billion (31 December 2022: EGP 68.1 billion), and currently the Group is in the process of renegotiating and restructuring the debts.

These conditions cast substantial doubt as to whether the Group will be able to meet its debt obligations, some of which are overdue, and material uncertainties exist that may cast substantial doubt about the Group's ability to continue as a going concern.

The key factors which could result in the Group not being able to continue as a going concern, include if the Group is unable to remedy breaches of financial covenants and not able to renegotiate banking facilities.

12. Going concern (continued)

Assessment of cash flow forecasts produced by management

The assessment of the going concern basis for the preparation of the interim condensed consolidated financial statements of the Group relies heavily on the ability of the Group to generate future cash flows in order to meet its obligations as they fall due and to successfully restructure the debts and remedy breaches of financial covenants.

Management has prepared comprehensive cash flow forecasts for the next 5 years for each key component of the business which has been subject to each subsidiary's Board review and challenge. These cash flows including the underlying key assumptions, sensitivities and judgements made by management in these forecasts for each key component are also consistently used for purposes of testing the non-current assets for impairment.

The key considerations in respect of assessing going concern are set out below:

Operational activities

- ERC is a strategic national project with 4.7 million tons capacity of refined products per year, including 2.3 million tons of Euro V diesel representing more than 30%-40% of Egypt's current imports and 600,000 tons of jet fuel. ERC has been working at full capacity since the beginning of 2020 and has long-term non-cancellable supply contracts with the Egyptian General Petroleum Corporation to supply various products for 25 years. Since the early of January 2022, ERC has benefited from the increase in the oil prices caused by the global worries about the oil and gas supplies and the further increase following the Russian-Ukrainian conflict. The refining margins have recovered which in turn have resulted in operating profits of EGP 9.5 billion, EBITDA of EGP 15.3 billion and cash inflows from operations of EGP 16.9 billion for the period ended 30 September 2023.

- TAQA Arabia's growing revenues were driven by a strong performance at TAQA Gas as well as the increase in CNG volumes sold as a result of the expansion in CNG station numbers. Revenues were also supported by the increase in fuel prices at TAQA Petroleum. TAQA continues to grow its market position opening more gas stations and constructing new solar energy plants which have enhanced its dominant position as a major supplier for long-term strategic services under secured long-term contracts. TAQA Arabia has also diversified its energy portfolio through the Benban solar energy project that commenced its operation in the first quarter of 2019. TAQA successfully commenced operations in the 6th of October industrial zone substation in March 2021 which increased the Group's profits and generated additional cash flows. TAQA also inaugurated a new subsidiary "TAQA Water", which will develop a variety of valuable water treatment solutions to serve the industrial, agricultural, touristic and real estate sectors. In December 2022, TAQA Arabia, alongside its French partner Voltalia, signed a memorandum of understanding with the Egyptian government to develop, finance, and operate a green hydrogen production facility in the Suez Canal Economic Zone. Furthermore, TAQA Arabia is currently in process of establishing a limited liability company in partnership with the Saudi National Gas Distribution Company 'Gas', aimed at developing and operating gas distribution in the kingdom. In the nine months ended 30 September 2023, TAQA Arabia's revenues increased by 29% to EGP 9.8 billion compared to EGP 7.6 billion in nine months ended 30 September 2022, while EBITDA increased from EGP 803.2 million in the nine months ended 30 September 2022 to EGP 998.7 million in nine months ended 30 September 2023.

12. Going concern (continued)

- Grandview's revenue was up across all three of its companies. The segment benefited from higher prices at all its companies and saw improved volume at both El Baddar and Uniboard. El Baddar continued to capitalize on its cutting-edge facility, while Shorouk for Modern Printing and Packaging witnessed higher export volume and an increased average price per ton. In the nine months ended 30 September 2023, Revenue at Grandview revenue increased 21% year to year to EGP 3.9 billion.

- NDT Sudan, Al-Takamol revenue declined to EGP 2.8 billion in the nine months ended 30 September 2023 compared to EGP 3.1 billion in the nine months ended 30 September 2022. As a result of the Sudan's political turmoil which started in the second quarter of 2023 and the Group's management is closely monitoring the situation.

- ASCOM and its subsidiaries' revenue increased from EGP 998.5 million in nine months ended 30 September 2022 to EGP 1.4 billion in nine months ended 30 September 2023 mostly driven by the impact of the EGP devaluation on the USD denominated businesses such as ACCM and GlassRock. Management is planning to implement its sales channel diversification strategy with the aim of growing its local market presence. This strategy will act as a hedge against foreign exchange risk and will allow ASCOM to benefit from the local market's greater working capital dynamics, improved cash flow and healthy margins.

- Falcon - Dina Farms has implemented multiple efficiency and facility enhancement initiatives which has increased yields from milk producing cows. This strategy led to a positive upward trend in different metrics especially in terms of production and operating revenues.

- Transportation, Logistics and Nile logistics (Sea port services as well as river transportation in Egypt) are showing growth driven by the company's stevedoring operations and improved operational efficiencies.

Liquidity Position

Some subsidiaries within the Group have experienced significant liquidity issues and in order to address the liquidity issues, management has undertaken the following actions:

- ERC (a subsidiary in the Energy sector) has loans outstanding as of 30 September 2023 amounting to EGP 56.3 billion. The Company has been in default with senior lenders since 31 December 2020. The senior debt stood at EGP 38.9 billion as of 30 September 2023, and the remaining outstanding loans comprise of subordinated loans amounting to EGP 10.6 billion which became due on 20 June 2023. In terms of debt covenants, no covenants were breached starting from 31 March 2023 as ERC became current on its debt service obligations except for not meeting the non-financial covenant related to the project completion status and completion date.
- ERC's senior loans of EGP 38.9 billion from international financial institutions are currently in the process of being renegotiated and restructured. Based on the relevant correspondence with the senior lenders to date, management has reached a position whereby the lenders initially accepted to implement a debt restructuring process. The senior lenders conceptually agreed on the reschedule and it is expected that the negotiations will be finalized and concluded by the end of 2023. Some of the negotiated matters are initially accepted by the senior lenders, and it is expected to reach a better position in respect of these matters in addition to reaching an agreement in respect of the rest of terms under negotiation. The proposed amendments accepted to date provide the Group with the ability to significantly reduce the Group's cash outflows over the next 12 months.

12. Going concern (continued)

- In the nine months ended 30 September 2023, ERC succeeded to pay USD 272 million to the senior lenders as scheduled debt repayment and cash sweep, this is in addition to the repayments of interest amounting to USD 58.5 million and USD 5.3 million as a repayment for the working capital facility and the semi-annual interest incurred. ERC has had positive cash flows and recovered in terms of performance during the year as a result of having operated at full capacity, increased selling prices post COVID-19 and recovery of refining margins. In light of the above significant changes in the market and the Company's business operations, the Company has informed the senior lenders that the next restructuring proposal will be submitted by the end of the year 2023 with a simpler approach.

- In the first quarter of 2022, the Group through Citadel Capital for International Investments (a wholly owned subsidiary) has succeeded in settling all the outstanding loan balance amounting EGP 1.06 billion which was due from the transportation and logistics sector to Arab African international bank and Banque Misr for an amount of EGP 213 million.

- During the year 2022, Ascom's subsidiary (GlassRock) and National Development and Trading Company's subsidiary (Arab Swiss Engineering Company) succeeded in restructuring their debts.

- During the nine months that ended September 2023, the Group has settled the outstanding loan due from the cement sector to Arab International Bank and succeeded in restructuring the debts due to MID Bank and subsequently Industrial Development Bank. Qalaa also succeeded in restructuring debt for one of its wholly owned subsidiaries. Qalaa is negotiating the settlement of other debt obligations.

- During the third quarter of 2023, APM Investment Holdings Limited (APM), a wholly owned subsidiary of ASCOM, sold its 35% stake in Kurmuk Gold Project to Canadian Company Allied Gold Corp. The consideration from the transaction includes the receipt of 11.5 million shares in Allied Gold in favor of APM, at a total value of USD 34.6 million, as well as the payment of USD 65.6 million by Allied Corp to APM. The payment is to be completed in three installments starting September 2024 and ending 30 September 2027. Additionally, Grandview sold its 30% stake in Allmed. The proceeds from this transaction have been used to settle third-party liabilities. This comes as a part of Qalaa's strategy of divesting some of its non-core business and assets to settle the Group's outstanding debts.

- The Group is in an advanced stages of settling all overdue debts on Qalaa holdings level, and the wholly owned subsidiaries, through a restructuring with a group of lenders which is currently under negotiation.

Based on the current status of negotiations, management is confident that the debt renegotiation and restructuring initiatives would be successfully concluded.

12. Going concern (continued)

Other initiatives

- Management will continue to focus on strategic positioning of the ERC and other investments and prioritize their growth.

- The Group will continue driving growth by making small incremental investments in its subsidiaries, expanding cashflows, thereby reducing debt to cash flow ratios. Management is confident this strategy will continue to deliver.

- Qalaa's portfolio companies are currently studying several new medium sized, export oriented, predominantly green, and of high local value-added investments.

- The Group also continued to benefit from the government's export incentive program, which strengthened the cash flows during the year ended 31 December 2022 and period ended 30 September 2023.

Based on the above operational and liquidity factors as well as the other initiatives, the Group management is of the view that the Group expects to continue to realize its assets and discharge its liabilities in the normal course of business and be able to continue to operate as a going concern.

Therefore, the interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2023 have been prepared on a going concern basis.

13. Restatement of comparative figures

During the period ended 30 September 2023, the Group's Management applied the optional exceptional accounting treatment of Appendix (C) of Egyptian Accounting Standard No. (13) issued by Ministerial Resolution No. 4706 for the year 2022, which was extended by Ministerial Resolution No. 1847 for the 2023, which allows the recognition of the net foreign currency exchange loss resulted from the movement of foreign currency exchange rates against the Egyptian pound to be included in the interim condensed consolidated statement of other comprehensive income instead of the interim condensed consolidated statement of profit or loss.

Accordingly, the Group applied the exceptional accounting treatment by classifying the foreign exchange losses to the accumulated losses at the end of the financial period.

For the purpose of providing relevant and reliable information about the corresponding figures, the Group applied the similar treatment for "Appendix B" of the Egyptian Accounting Standard No. (13) issued by Ministerial Resolution No. 1568 of 2022, which was applied to the foreign currency exchange differences resulting from the outstanding balances denominated in foreign currencies as of 30 September 2022, and this treatment allows the foreign currency exchange differences related to those balances up to 31 March 2022 to be recognized in the interim condensed consolidated other comprehensive income with net foreign currency exchange loss carried forward to accumulated losses.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

13. Restatement of comparative figures (continued)

The interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of other comprehensive income and the interim condensed consolidated statement of cash flows for the financial period ended 30 September 2022 have been restated for the purpose of providing relevant and reliable information about the corresponding figures.

The following tables shows the effect on the interim condensed consolidated statement of profit or loss, statement of other comprehensive income and statement of cash flows for the period ended 30 September 2022:

	30 September 2022		
Interim condensed consolidated statement of profit or loss	**Previously reported**	**Effect of restatement**	**Restated**
Finance costs	(5,907,256)	1,164,383	**(4,742,873)**
Finance income	1,907,520	23,800	**1,931,320**
Income tax expense	(1,377,068)	4,598	**(1,372,470)**
Net profit for the period	11,866,528	1,192,781	**13,059,309**

	30 September 2022		
Interim condensed consolidated statement of other comprehensive income	**Previously reported**	**Effect of restatement**	**Restated**
Net profit for the period	11,866,528	1,192,781	**13,059,309**
Net foreign currency exchange loss	-	(1,197,379)	**(1,197,379)**
Income tax relating to these items	(22,643)	4,598	**(18,045)**

	30 September 2022		
Interim condensed consolidated statement of cash flows	**Previously reported**	**Effect of restatement**	**Restated**
Profit for the period before income tax	13,243,596	1,188,183	**14,431,779**
Unrealized forex loss	2,108,338	(1,188,183)	**920,155**

The following table represents the effect on earnings per share in case the Group's management did not apply the optional exceptional accounting treatment of Appendix (C) of Egyptian Accounting Standard No. (13).

	30 September 2023	**30 September 2022**
Net Profit for the period	2,915,144	11,866,528
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000	1,820,000
Earnings per share (EGP)	**1.602**	**6.520**

14. Significant events

A) On 18 January 2023, the Company's extraordinary assembly approved the amendment of the Employees Stock Options Plan (ESOP) policy which has been presented to the extraordinary assembly on 10 December 2018 and was not applied due to incomplete procedures to get the financial regulatory association's approval.

B) The Monetary Policy Committee decided, in its extraordinary meeting held on 30 March 2023, to raise the overnight deposit rate, the overnight lending rate and the rate of the main operation by 200 basis points to 18.25%, 19.25%, and 18.75%, respectively. The discount rate was also raised by 200 basis points to 18.75%. The Central Bank increased interest by 100 points, to reach 20.25% instead of 19.25%, and this was by a decision of the Monetary Policy Committee, according to the meeting held on 3 August 2023.

C) During April 2023, an intense armed conflict began in Sudan resulting in severe unrest all over the country. As a result of the safety concerns, the dispatches in Al Takamol Cement were halted from 17 April 2023 till 2 May 2023 and were resumed on 3 May 2023 albeit at a lower daily average which will affect the revenues in the subsequent period. No damage was reported on the physical assets of the factory till the signing date of the consolidated financial statements due to the fact that the factory was at a safe distance from the clashes. The Group's management is closely monitoring the situation and currently assessing the extent of the impact of these events on the results of the Group's business and activities.

D) The "Listing Committee" of the Egyptian Stock Exchange (EGX) approved in its session held on 4 June 2023 the temporary listing of "TAQA Arabia (a subsidiary of the Group)" shares for the purpose of direct trading without public offering. The Egyptian Financial Regulatory Authority also approved the registration of the Company's shares on the EGX and the trading began on Sunday, 9 July 2023.

E) On 9 July 2023, TAQA Arabia ("the company"), began trading its shares on the EGX. The company's shares were listed directly on the EGX without initially being offered to investors via an Initial Public Offering (IPO) as allowed by the EGX regulations.

Following the listing, the National Service Projects Organization ("NSPO")" acquired through a block trading deal 270,470,760 shares (two hundred seventy million four hundred seventy thousand seven hundred and sixty shares) representing 20% of the total shares of TAQA Arabia previously owned by Silverstone Capital Investments Ltd, a subsidiary of Qalaa for Financial Investments S.A.E "Qalaa".

Silverstone Capital Investments Ltd, Qalaa, and Citadel Capital Partners LTD, (collectively referred to as the "main shareholder") together with the NSPO signed a shareholder agreement to govern the shareholder relationship between the parties.

This shareholders agreement included certain option rights including a call option whereby Qalaa may at any time repurchase the sold shares from the NSPO within four years from the date of the deal completion (24 July 2023) at the initial repurchase price plus an annual investment return as detailed in the shareholders agreement.

(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

14. Significant events (continued)

The shareholders agreement also includes a commitment by Qalaa to the "NSPO" that Qalaa will always have the majority control and influence over all the operations of TAQA Arabia and all its group companies /subsidiaries for TAQA Arabia. Furthermore, the right to repurchase held by the Company would enable Qalaa to direct the relevant activities of the Company.

The proceeds of the aforementioned transaction were used to settle a loan obtained by Qalaa earlier in 2022 amounting to EGP 1.629 billion as at 30 September 2023 (EGP 1.150 billion as at 31 December 2022).

It is expected that the restructuring process will continue taking place over several stages towards the settlement of more Qalaa liabilities, some of which have been agreed upon and others are still under negotiation. For example, negotiations are currently underway between Qalaa and a group of Egyptian banks to transfer the ownership of 17.68% of TAQA Arabia shares owned by the main shareholder towards the settlement of certain debts at Qalaa.

F) On 6 July 2023, Qalaa's ordinary assembly approved the authorization of Qalaa's Board of Directors to transfer of 11.45% of Qalaa's Group shares in TAQA Arabia to fully owned subsidiaries and then those subsidiaries will be transferred to third parties based on the report of the independent financial advisor issued in April 2023 (which valued 100% of TAQA Arabia Company's shares at 12.03 billion Egyptian pounds) and the value of this shares will be due from Citadel Capital Partners Ltd., the main shareholder in Qalaa, and to record the value of those liabilities as a current debit account for the benefit of Qalaa, and to allocate any profits, from the annual management fees amounting to 10% of the consolidated net profit of the company, in addition to any other distributions in accordance with the company's articles of association, to be payable to Citadel Capital Partners Ltd, to settle the balance of that current debit account until it is fully settled.

On 3 September 2023, TAQA shares were transferred to Startford and Nile Energy -Companies that are fully owned by Qalaa- but the companies have not yet been transferred to the third parties.

The Group's management is currently studying and assessing the impact of this transaction on the Group's consolidated financial statements, considering the agreements that have been reached.

It is initially concluded that there is no impact on the current interim condensed consolidated financial statements and that there is no change in the control position of Qalaa over TAQA Arabia.