QALAA FOR FINANCIAL INVESTMENTS S.A.E.
AND ITS SUBSIDIARIES
AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

Contents

Auditors' report

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

Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of Qalaa for Financial Investments (S.A.E.) (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

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

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

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

Auditors' report (continued)
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Basis for qualification

As disclosed in Note 5(h), the Group has loans due to banks of which confirmations have not been received in response to our requests for confirmation for balances due to banks amounting to EGP 22.3 billion as of 31 December 2024. In the absence of responses to our bank confirmation requests, we have not been able to satisfy ourselves by alternative audit procedures regarding the completeness and accuracy of the balances due to these banks, other balances and unfunded exposures and contingent liabilities with these banks as at 31 December 2024. Accordingly, we were unable to determine whether adjustments might have been necessary in respect of the loan balances or unfunded exposures and other contingent liabilities in the consolidated statement of financial position as at 31 December 2024 and, consequently, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and the contingent liabilities disclosed in Note 18 to the consolidated financial statements as at 31 December 2024.

Qualified opinion

Except for the possible adjustments that might have been determined to be necessary had we been able to verify the completeness and accuracy of banks' loans, in our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Qalaa for Financial Investments (S.A.E.) and its subsidiaries as of 31 December 2024 and of their financial performance and their cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulation.

Emphases of matter

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

- As described in note (28-A-3) to the consolidated financial statements, the Group's current liabilities exceeded its current assets by EGP 27.8 billion at 31 December 2024 and it had accumulated losses of EGP 25.03 billion as at that date. The group incurred net loss from continuing operation amounting to EGP 1.8 billion for the year ended 31 December 2024. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would be necessary if the Group were unable to continue as a going concern according to the matters detailed in note (28-A-3).

- Note 2(e)(i) to the 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.

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Public Accountants

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Accountants &Consultants

6 July 2025
Cairo

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

Consolidated statement of financial position - As of 31 December 2024

	Note	2024	2023
Non-current assets			
Fixed assets	6(a)	163,056,974	105,507,229
Right of use assets	6(b)	2,318,495	1,370,235
Intangible assets	6(c)	774,653	500,044
Goodwill	6(d)	205,570	205,570
Biological assets	6(e)	839,798	512,035
Investments in associates and joint ventures	2(f)	6,815,647	4,695,303
Financial assets at fair value through other comprehensive income	5(b)	98,822	57,916
Financial asset at fair value through profit or loss	5(c)	948,448	543,719
Derivative financial instruments	5(f)	1,309,428	1,926,709
Trade and other receivables	5(a)	2,231,143	999,724
Deferred tax assets	6(f)	7,369,062	5,419,489
Total non-current assets		**185,968,040**	**121,737,973**
Current assets			
Inventories	6(g)	13,122,928	7,441,973
Biological assets	6(e)	230,879	37,195
Trade and other receivables	5(a)	14,669,786	15,447,227
Due from related parties	21(a)	440,513	776,036
Financial assets at fair value through profit or loss	5(c)	84,300	1,321,574
Derivative financial instruments	5(f)	-	129,446
Restricted cash	5(d)	11,215,019	6,927,292
Cash and cash equivalents	5(d)	2,698,056	1,975,005
		42,461,481	**34,055,748**
Assets classified as held for sale	3(c)	22,965	4,829,467
Total current assets		**42,484,446**	**38,885,215**
Total assets		**228,452,486**	**160,623,188**
Equity			
Paid-up capital	7(a)	9,100,000	9,100,000
Legal reserve	7(b)	89,578	89,578
Reserves	7(c)	2,095,794	5,577,858
Accumulated losses		(25,031,228)	(21,874,092)
Net equity attributable to owners of Qalaa for Financial Investments		**(13,745,856)**	**(7,106,656)**
Non-controlling interests		80,745,238	47,051,014
Total equity		**66,999,382**	**39,944,358**
Non-current liabilities			
Loans and borrowings	5(h)	67,560,064	1,649,523
Lease liabilities	6(b)	930,933	736,182
Borrowing from financial leasing entities	5(i)	490,059	401,366
Deferred tax liabilities	6(f)	19,631,187	11,308,284
Trade and other payables	5(e)	2,324,557	99,093
Provisions	6(h)	276,218	-
Derivative financial instruments	5(f)	-	2,322
Total non-current liabilities		**91,213,018**	**14,196,770**
Current liabilities			
Provisions	6(h)	2,643,692	3,975,757
Trade and other payables	5(e)	17,381,931	15,703,947
Due to related parties	21(b)	3,396,932	2,252,603
Loans and borrowings	5(h)	43,812,216	79,807,433
Lease liabilities	6(b)	293,689	194,784
Borrowing from financial leasing entities	5(i)	372,315	77,885
Financial liabilities at fair value through profit or loss	5(g)	2,004,523	869,867
Current income tax liabilities	6(i)	329,554	222,776
		70,234,852	**103,105,052**
Liabilities directly associated with assets held for sale	3(c)	5,234	3,377,008
Total current liabilities		**70,240,086**	**106,482,060**
Total liabilities		**161,453,104**	**120,678,830**
Total equity and liabilities		**228,452,486**	**160,623,188**

The accompanying notes on pages 8 - 158 form an integral part of these consolidated financial statements.
Auditor's report attached.

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

6 July 2025

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

Consolidated statement of profit or loss - For the year ended 31 December 2024

	Note	2024	2023
Continuing operations			
Revenue	9	148,874,356	97,131,327
Cost of revenue	10	(135,694,884)	(79,577,288)
Gross profit		**13,179,472**	**17,554,039**
General and administrative expenses	11/a	(5,535,539)	(3,676,004)
Selling and marketing	11/b	(470,544)	(380,168)
Gains on sale of associate	2(f)	-	3,067,758
Net impairment of financial assets	12/a	304,399	(447,309)
Other gains/ (losses)	12/b	2,369,522	(325,265)
Operating profits		**9,847,310**	**15,793,051**
Finance income	14	1,741,624	2,117,485
Finance cost	14	(10,757,110)	(8,950,329)
Share of profit / (loss) of investments in associates	15	214,097	(16,225)
Profit before income tax		**1,045,921**	**8,943,982**
Income tax expense	16	(2,801,129)	(3,374,614)
Net (loss) / profit from continuing operations		**(1,755,208)**	**5,569,368**
Profit from discontinued operations	3(b)	9,943,606	6,231,057
Net profit for the year		**8,188,398**	**11,800,425**
Allocated to			
Owners of the parent company		6,391,184	6,523,120
Non-controlling interest		1,797,214	5,277,305
		8,188,398	**11,800,425**
		(EGP/share)	(EGP/share)
Earnings per share for profit from continuing operations attributable to the owners of the parent company:	22		
Basic per share		(1.847)	0.641
Diluted per share		(1.847)	0.641
Earnings per share for profit attributable to the owners of the parent company:	22		
Basic per share		3.512	3.584
Diluted per share		3.512	3.584

The accompanying notes on pages 8 - 158 form an integral part of these consolidated financial statements.

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

Consolidated statement of comprehensive income - For the year ended 31 December 2024

	Note	2024	2023
Net profit for the year		**8,188,398**	**11,800,425**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		35,345,125	11,627,189
share of other comprehensive income of associates and joint ventures accounted for using the equity method		102,574	-
Net foreign currency exchange loss		-	(4,558,204)
Income tax relating to these items	16(d)	(19,898)	30,889
Items that will not be reclassified to profit or loss			
Change in fair value of financial assets at fair value through other comprehensive income	7(c)	96,919	(1,457)
Other comprehensive income for the year, net of tax		**35,524,720**	**7,098,417**
Total comprehensive income for the year		**43,713,118**	**18,898,842**
Total comprehensive income for the year allocated to:			
Owners of the parent company		13,404,996	5,644,709
Non-controlling interest		30,308,122	13,254,133
		43,713,118	**18,898,842**
Total comprehensive income for the year arises from:			
Continuing operations		33,769,512	11,201,364
Discontinued operations		9,943,606	7,697,478
		43,713,118	**18,898,842**

The accompanying notes on pages 8 - 158 form an integral part of these consolidated financial statements.

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

Consolidated statement of changes in equity - For the year ended 31 December 2024

	Note	Total equity attributable to owners of Qalaa for Financial Investments S.A.E.						
	Note	Paid up capital	Legal reserve	Reserves	Accumulated losses	Total of the shareholders of the parent	Non-controlling interests	Total equity
Balance 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 year		-	-	2,538,753	3,105,956	**5,644,709**	13,254,133	**18,898,842**
Dividends distribution		-	-	-	(130,315)	**(130,315)**	(771,252)	**(901,567)**
Shareholders' balance		-	-	(639,457)	-	**(639,457)**	-	**(639,457)**
Treasury shares through subsidiaries		-	-	-	-	**-**	(55,309)	**(55,309)**
Foreign exchange differences of shareholders reserve	7(c)	-	-	(526,561)	-	**(526,561)**	-	**(526,561)**
Transactions with non-controlling interests	2(d)	-	-	2,423,835	-	**2,423,835**	360,016	**2,783,851**
Disposal of subsidiaries		-	-	(481,577)	(142,033)	**(623,610)**	(1,362,627)	**(1,986,237)**
Balance at 31 December 2023		**9,100,000**	**89,578**	**5,577,858**	**(21,874,092)**	**(7,106,656)**	**47,051,014**	**39,944,358**
Balance as at 1 January 2024		**9,100,000**	**89,578**	**5,577,858**	**(21,874,092)**	**(7,106,656)**	**47,051,014**	**39,944,358**
Effect of EAS 13 "revised" adjustment (note 29)		-	-	-	(9,409,591)	**(9,409,591)**	(2,508,893)	**(11,918,484)**
Balance 1 January 2024		**9,100,000**	**89,578**	**5,577,858**	**(31,283,683)**	**(16,516,247)**	**44,542,121**	**28,025,874**
Total comprehensive income for the year		-	-	7,013,812	6,391,184	**13,404,996**	30,308,122	**43,713,118**
Dividends distribution		-	-	-	(96,437)	**(96,437)**	(129,258)	**(225,695)**
Shareholders' balance		-	-	(1,728,000)	-	**(1,728,000)**	-	**(1,728,000)**
Treasury shares through subsidiaries		-	-	-	-	**-**	(40,211)	**(40,211)**
Foreign exchange differences of shareholders reserve		-	-	(1,696,756)	-	**(1,696,756)**	-	**(1,696,756)**
Disposal of subsidiaries	3(a)	-	-	(302,171)	(42,292)	**(344,463)**	(746,068)	**(1,090,531)**
Transactions with non-controlling interests	2(d)			(6,768,949)		**(6,768,949)**	6,810,532	**41,583**
Balance at 31 December 2024		**9,100,000**	**89,578**	**2,095,794**	**(25,031,228)**	**(13,745,856)**	**80,745,238**	**66,999,382**

The accompanying notes on pages 8 - 158 form an integral part of these consolidated financial statements.

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

Consolidated statement of cash flows - For the year ended 31 December 2024

	Notes	2024	2023
Operating profit before changes in working capital	17(a)	**22,279,479**	**26,842,494**
Changes in working capital:			
Inventories		(5,642,190)	(3,279,069)
Trade and other receivables		111,842	(8,778,929)
Due from related parties		(1,828,591)	(1,042,661)
Due to related parties		1,144,330	530,984
Trade and other payables		3,917,555	(1,436,238)
Provisions used	6(h)	(421,823)	(1,137,705)
Income tax paid	6(i)	(120,876)	(463,764)
Net cash flow generated from operating activities		**19,439,726**	**11,235,112**
Cash flows from investing activities			
Payments to purchase of fixed assets, PUC and intangible assets		(3,563,841)	(2,540,982)
Payment to purchase biological assets		(310,865)	(85,432)
Proceeds from sale of fixed assets	6(a)(ii)	5,374	3,581
Proceeds from sale of biological assets		61,528	-
Payment for acquisition of associates		-	(12,475)
Payment for acquisition of financial asset at FVTPL		(463,326)	-
Proceeds from sale of financial asset at FVTPL		567,852	-
Proceeds from financial liabilities at FVTPL	5(g)	386,356	-
Proceeds from sale of associates		-	138,400
Proceeds from sale of financial assets at fair value through other comprehensive income	5(b)	61,400	-
Interest received		942,935	525,112
Net cash flow used in investing activities		**(2,312,587)**	**(1,971,796)**
Cash flows from financing activities			
Proceeds from loans		1,331,250	1,788,685
Proceeds /(repayments) from financial leasing entities		160,356	(296,796)
Repayments of loans		(23,666,100)	(17,020,186)
Lease payments		(252,385)	(189,441)
Payments from banks – overdrafts		(1,036,127)	(594,373)
Dividends paid		(231,823)	(901,567)
Payments to purchase of treasury shares through subsidiaries		(40,211)	(55,309)
Restricted cash		(4,287,727)	(6,288,570)
Transactions with non-controlling interests		41,583	-
Interest paid		(156,416)	(1,616,360)
Net cash flow used in financing activities		**(28,137,600)**	**(25,173,917)**
Net change in cash and cash equivalents during the year		**(11,010,461)**	**(15,910,601)**
Cash and cash equivalents at beginning of the year		1,975,005	8,652,942
Foreign currency translation differences		11,733,512	9,232,664
Cash and cash equivalents at end of the year	5(d)	**2,698,056**	**1,975,005**

The accompanying notes on pages 8 - 158 form an integral part of these consolidated financial statements.

Group structure

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 registered in the commercial register and can be renewed. The Holding Company is registered in the Egyptian Stock Exchange.

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

The purpose of the Holding company is represented in providing consultancy in financial and financing fields for different companies and preparing and providing the feasibility studies in the economical, engineering, technological, marketing, financial, administrative, borrowing contracts arrangements and financing studies for projects and providing the necessary technical support in different fields except legal consultancy, in addition to working as an agent of companies and projects in contracting and negotiations in different fields and steps especially negotiations in the management contracts, participation and technical support, managing, executing and restructuring of projects.

The Holding company may have an interest or participate in any way with companies and others that carry out work similar to its work or that may help it to achieve its purpose in Egypt or abroad, and it may also merge with the previous bodies, buy or join them according to the provisions of the law and its executive regulations.

The Extraordinary General Assembly of the Holding company decided on 20 October 2013 to approve the Company's conditions of work in accordance with the Capital Market Law and its Executive Regulations as a company engaged in the purpose of establishing companies and participating in increasing the capital of companies in accordance with the provisions of Article 27 of the Capital Market Law and Article 122 of its executive regulations.

On September 26, 2024, the Extraordinary General Assembly of the Company approved reconsidering and potentially revoking all previously approved decisions related to the Company's transition to operate under the provisions of Capital Market Law No. 95 of 1992 and its executive regulations.

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

The consolidated financial statements were authorised to be issued by the holding company’s Board of Directors on 6 July 2025.

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

2. Interests in other entities

2(a) Material subsidiaries

Below is a list of material subsidiaries at 31 December 2024 and 31 December 2023:

Company name	Functional currency	Currency of country situated	Country of Incorporation	Effective shareholding by the Group share% 31 December 2024	2023	Non-controlling interest % 31 December 2024	2023
Citadel Capital Ltd.	USD	USD	British Virgin Island	99.99	99.99	0.01	0.01
Citadel Capital Holding for Financial Investments-Free Zone	USD	USD	British Virgin Island	99.99	99.99	0.01	0.01
Sequoia Willow Investments Ltd.	USD	USD	British Virgin Island	99.99	99.99	0.01	0.01
Arab Company for Financial Investments	EGP	EGP	Arab Republic of Egypt	94.00	94.00	6.00	6.00
Trimstone Assets Holding Limited – BVI	USD	USD	British Virgin Island	100.00	100.00	0.00	0.00
Citadel Capital for International Investments Ltd.	USD	USD	British Virgin Island	100.00	100.00	0.00	0.00
Qalaa Energy Ltd.	USD	USD	British Virgin Island	100.00	100.00	0.00	0.00
National Company for Refining Consultation	USD	EGP	Arab Republic of Egypt	100.00	100.00	0.00	0.00
Africa Railways Holding	USD	MUR	Republic of Mauritius	66.24	66.24	33.76	33.76
Tanweer for Marketing and Distribution Company (Tanweer)	EGP	EGP	Arab Republic of Egypt	99.87	99.87	0.13	0.13
Financial Unlimited for Financial Consulting	EGP	EGP	Arab Republic of Egypt	99.87	99.87	0.13	0.13
Citadel Capital Joint Investment Fund Management Limited	USD	MUR	Republic of Mauritius	99.99	99.99	0.01	0.01
Darley Dale Investments Ltd.	USD	USD	British Virgin Island	100.00	100.00	0.00	0.00
International for Refinery Consultation	USD	EGP	Arab Republic of Egypt	100.00	100.00	0.00	0.00
Falcon for Agriculture Investments	USD	USD	British Virgin Island	54.95	54.95	45.05	45.05
Silverstone Capital Investments Ltd.	USD	USD	British Virgin Island	100.00	100.00	0.00	0.00
Citadel Capital Transportation Opportunities Ltd.	USD	USD	British Virgin Island	98.10	67.55	1.90	32.45
National Company for River Transportation Nile Cargo S.A.E.	EGP	EGP	Arab Republic of Egypt	80.30	59.27	19.70	40.73
National Company for River Ports Management S.A.E.	EGP	EGP	Arab Republic of Egypt	80.30	59.27	19.70	40.73
National Development and Trading Company	EGP	EGP	Arab Republic of Egypt	100.00	69.28	0.00	30.72
Arab Swiss Engineering Co. (ASEC)	EGP	EGP	Arab Republic of Egypt	69.27	69.27	30.73	30.73
ASEC for Manufacturing and Industries Project Co (ARESCO)	EGP	EGP	Arab Republic of Egypt	98.90	69.27	1.10	30.73
ASEC Cement Co.	EGP	EGP	Arab Republic of Egypt	70.20	51.80	29.80	48.20
ASEC Automation Co.	EGP	EGP	Arab Republic of Egypt	93.70	37.16	6.30	62.84
Al Takamol for Cement Ltd. Co. ****	SDG	SDG	Sudan	35.51	26.42	64.49	73.58
Orient Investments Properties Ltd. *	USD	USD	British Virgin Island	31.51	31.51	68.49	68.49
Arab Refining Company – S.A.E.	USD	EGP	Arab Republic of Egypt	19.50	19.50	80.50	80.50
Egyptian Refining Company – S.A.E. (indirectly owned by Orient Investment Property)	USD	EGP	Arab Republic of Egypt	13.00	12.99	87.00	87.01
Tawazon for Solid Waste Management (Tawazon)	EGP	EGP	Arab Republic of Egypt	99.99	99.99	0.01	0.01
United Foundries Company	EGP	EGP	Arab Republic of Egypt	100.00	67.46	0.00	32.54
Sphinx Egypt for Financial Consulting Company	EGP	EGP	Arab Republic of Egypt	69.88	69.88	30.12	30.12
Africa Joint Investment Fund	USD	MUR	Republic of Mauritius	30.87	30.87	69.13	69.13
Mena Joint Investment Fund	USD	EUR	Luxembourg	73.25	73.25	26.75	26.75
ASEC company for mining (ASCOM)	EGP	EGP	Arab Republic of Egypt	59.46	59.46	40.54	40.54
ASCOM Carbonate & Chemical Manufacture Company	USD	EGP	Arab Republic of Egypt	59.45	59.45	40.55	40.55
Glassrock Insulation Company	USD	EGP	Arab Republic of Egypt	56.62	56.62	44.03	44.03
National Printing Company ***	EGP	EGP	Arab Republic of Egypt	27.21	31.37	72.79	68.63
ASEC Trading Company	EGP	EGP	Arab Republic of Egypt	99.80	99.80	0.20	0.20

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

Interests in other entities (continued)

2(b) Key financial information for significant subsidiaries

31 December 2024	Total assets	Total equity	Total revenue	Net profit / (loss)
Orient Investment Properties Ltd. *	188,516,921	92,407,125	134,945,781	1,824,168
National Development and Trading Company	18,762,313	(7,932,310)	5,202,180	1,375,583
ASEC Company for Mining (ASCOM)	7,278,493	2,162,764	3,227,735	(359,893)
Citadel Capital Transportation Opportunities Ltd.	1,472,026	(2,809,722)	864,724	149,229
United Foundries Company	907,354	(1,673,656)	1,365,047	211,940
Falcon for Agriculture Investments Group	3,226,651	(1,024,365)	3,245,268	201,256

31 December 2023	Total assets	Total equity	Total revenue	Net profit / (loss)
Orient Investment Properties Ltd. *	126,448,950	54,991,181	87,649,359	4,900,440
Silverstone Capital Investment Ltd. Group **	-	940,377	-	-
National Development and Trading Company	14,385,934	(7,820,229)	3,822,002	(1,818,156)
ASEC Company for Mining (ASCOM)	5,198,344	1,540,006	1,920,240	1,982,061
Citadel Capital Transportation Opportunities Ltd.	1,223,191	(1,555,520)	581,637	113,864
United Foundries Company	792,694	(1,355,644)	672,502	38,857
Grandview Investment holdings ***	4,951,572	1,552,387	5,179,067	660,376
Falcon for Agriculture Investments Group	2,204,025	(409,227)	1,904,920	29,200

2(c) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-Group eliminations.

(i) Summarised financial position

31 December 2024	CCTO	NDT	Orient *	Ascom	Grandview ***
Current assets	473,824	7,355,100	30,647,492	2,445,300	-
Current liabilities	4,122,139	6,114,881	21,589,059	4,386,271	-
Net current assets	**(3,648,315)**	**1,240,219**	**9,058,433**	**(1,940,971)**	**-**
Non-current assets	998,203	11,407,212	157,869,430	4,799,411	-
Non-current liabilities	159,609	20,442,830	74,520,738	698,398	-
Non-current net assets	**838,594**	**(9,035,618)**	**83,348,692**	**4,101,013**	**-**
Accumulated NCI	(346,466)	8,707,843	19,541,443	(171,875)	-

31 December 2023	CCTO	NDT	Orient *	Ascom	Grandview ***
Current assets	360,938	6,883,604	24,177,636	2,738,493	3,362,881
Current liabilities	2,685,174	7,597,330	59,634,811	2,057,415	2,831,985
Net current assets	**(2,324,236)**	**(713,726)**	**(35,457,175)**	**681,078**	**530,896**
Non-current assets	862,253	7,502,358	102,271,314	2,459,851	2,116,292
Non-current liabilities	93,537	14,608,834	11,822,958	1,600,924	551,011
Non-current net assets	**768,716**	**(7,106,476)**	**90,448,356**	**858,927**	**1,565,281**
Accumulated NCI	(164,915)	4,754,176	18,479,776	(115,788)	746,013

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

Interests in other entities (continued)

(ii) Summarised comprehensive income

31 December 2024	CCTO	NDT	Orient *	Ascom	Grandview ***
Revenue	864,724	5,202,180	134,945,780	3,227,734	-
Profit / (loss) for the year	149,229	1,512,496	1,824,167	(362,355)	-
Other comprehensive income / (loss)	(375,379)	5,694,747	-	1,118,472	-
Total comprehensive income / (loss)	**(226,150)**	**7,207,243**	**1,824,167**	**756,117**	-
Profit / (loss) allocated to NCI	(181,551)	4,398,521	1,061,667	(61,111)	-
Dividends to NCI	-	-	-	-	-

31 December 2023	CCTO	NDT	Orient *	Ascom	Grandview ***
Revenue	581,637	3,822,002	87,649,359	1,920,240	5,179,067
Profit / (loss) for the year	**113,864**	**(1,818,156)**	**4,900,440**	**1,982,061**	**660,376**
Other comprehensive income / (loss)	(11,469)	1,211,415	-	(4,984)	-
Total comprehensive income / (loss)	**102,395**	**(606,741)**	**4,900,440**	**1,977,077**	**660,376**
Profit / (loss) allocated to NCI	117,700	1,130,812	3,038,403	(14,928)	424,694
Dividends to NCI	-	(14,599)	-	-	(50,682)

(iii) Summarised cash flows

31 December 2024	CCTO	NDT	Orient *	Ascom	Grandview
Cash flows generated from / (used in)					-
- Operating activities	63,084	469,340	23,149,715	(10,939)	-
- Investing activities	(81,993)	(1,281)	(1,117,400)	1,102,757	-
- Financing activities	149,710	(493,286)	(22,162,553)	(135,192)	-
Net increase/ (decrease) in cash and cash equivalent	**130,801**	**(25,227)**	**(130,238)**	**956,626**	-

31 December 2023	CCTO	NDT	Orient *	Ascom	Grandview
Cash flows generated from / (used in)					
- Operating activities	165,195	628,298	16,839,322	266,018	1,130,018
- Investing activities	(108,501)	(2,965,858)	(682,397)	(100,780)	(398,488)
- Financing activities	(43,049)	2,700,678	(18,303,525)	(2,662)	(554,790)
Net increase/ (decrease) in cash and cash equivalent	**13,645**	**363,118**	**(2,146,600)**	**162,576**	**176,740**

* Orient is the holding company for ERC and the above figures mainly represent ERC figures.

** As of 31 December 2023, the Group disposed 31.45% of its shares in TAQA, leading to the derecognition of the subsidiary and the retained interest is accounted for as an investment in associate using the equity method. Please refer to note 3 for details.

*** As of 27 March 2024, the Group disposed 27.21% of its shares in National Printing, leading to the derecognition of the subsidiary and the retained interest is accounted for as an investment in associate using the equity method. Please refer to note 3 for details.

**** Al-Takamol cement company (Subsidiary of National Development and Trading) operates in a hyperinflationary economy, the central bank of Sudan among other measures imposed certain restrictions on the processing of client payments by banks and the purchase of foreign currency on the interbank market.

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

Interests in other entities (continued)

2(d) Transactions with non-controlling interest

During the year ended 31 December 2024, the Group had the following transactions with non-controlling interest.

A) on 27 March 2024, FHI transferred its shares in NDT, UCF, CCTO to Qalaa, equivalent to 30.7%, 32.5%, and 25% respectively. note 30g

B) During the year ended 31 December 2024, one of the shareholders of the company exercised the put option granted in CCTO equivalent to 5.5%. note 5h

	2024
Carrying amount of non-controlling interests acquired	(6,810,532)
Consideration paid to non-controlling interests	6,768,949
Shortage of consideration paid recognised in the transactions with non-controlling interests reserve within equity	**(41,583)**

Please refer to note 3 for details.

2(e) Significant judgements

(i) Consolidation of Orient Investment Properties Ltd and its subsidiary Egyptian Refining Company – (S.A.E) ("ERC")

The Group currently holds 31.51% 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% shareholding in ERC and consolidates the ERC entity. ERC represents the most substantial portion of Orient and ARC's operations.

ERC was set up for the purpose of constructing and operating a 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.

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, following the debt restructuring on 20 December 2024 the project completion condition has been waived until 2027.

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.

Interests in other entities (continued)

Whilst Egyptian General Petroleum Corporation (EGPC - a 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.

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 judgment 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 188.15 billion and EGP 96.11 billion respectively as of 31 December 2024 and with a consolidated profit of EGP 1.8 billion for the twelve months. The primary assets and liabilities making up these totals are represented in the fixed assets amounted to EGP 147.19 billion, trade receivables amounted to 7.97 billion, trade and other payables amounted to EGP 5.23 billion and loans liabilities amounted to EGP 65.94 billion.

Interests in other entities (continued)

(ii) 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 is:

- Mainly influences prices for goods and services,
- official for the country that mainly determine the prices according to competitive forces and regulations.
- influences labour, 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 labour, 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.

(iii) Significant influence over National Printing Company S.A.E

On 27 March 2024, Qalaa transferred to FHI its indirectly owned shares (27.21%) in National Printing Company S.A.E. (a subsidiary of Grandview), with Qalaa retaining a call option to purchase back this stake within two years. Qalaa previously consolidated National Printing Company S.A.E. because it had power over its parent, Grandview, due to the appointment of the directors and the power provided by the participation agreement. Despite the transaction on 27 March 2024 resulting in the loss of control of Grandview together with the legal ownership of the National Printing Company S.A.E. shares, the Group Management has determined that Qalaa retains present access to ownership returns in National Printing Company S.A.E. during the call option period in accordance with the principles outlined in EAS 18 "Investment in associates" and also significant influence over "National Printing S.A.E. "the Company" through the ability to exercise the option at any time. If the option is exercised, Qalaa has the right to a voting right exceeding 20% and the option price is reduced by any dividends paid by the Company which grants Qalaa economic access to the profits generated even before the option is exercised.

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

Interests in other entities (continued)

Based on the facts as set out above, Qalaa has equity accounted for the 27.21% interest in the Company and recognized a gross liability to pay the call option strike price. If management's judgments were to change, this would result in the derecognition of the investment in associate (National Printing Company S.A.E.) and also the gross liability to pay the strike price. Absent these gross amounts on the face of the balance sheet the option would be treated as a derivative financial instrument at fair value through profit or loss.

Management will continue to reassess this judgement at each reporting date, considering any changes in circumstances that may affect Qalaa's ability to exercise the call option over the Company .

2(f) Investments in associates and joint ventures

The following table represents the movement of equity-accounted investments for the year ended 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
1 January 2024	**4,695,303**	**668,561**
Additions	24,950	12,475
Fair value of retained investment note 3(b)	1,888,600	4,341,809
Share of Profit/ (loss) of investments in associates in the consolidated statement of profit or loss	214,097	(16,225)
Share of gain of investments in associates in the consolidated statement of comprehensive income	102,574	23,794
Investments transferred to financial assets at fair value through other comprehensive income note 5(j)	-	(49,979)
Disposals of associates	-	(285,132)
other components of equity	(109,877)	-
Balance	**6,815,647**	**4,695,303**

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

Interests in other entities (continued)

Set out below are the associates and joint ventures of the Group as at 31 December 2024 and 31 December 2023 which are material to the Group.

	Place of business / country of incorporation	Nature of relationship	Shareholding % 31 December		Carrying amount 31 December	
			2024	2023	2024	2023
TAQA Arabia [2]	Egypt	Associate	23.87%	23.87%	4,541,031	4,341,837
National Printing Company [1]	Egypt	Associate	27.21%	-	1,922,312	-
Zahana Cement Company	Algeria	Associate	35%	35%	289,525	300,485
Dar AL Sherouk Company	British Virgin Islands	Associate	58.51%	58.51%	139,855	132,214
Wathba for Petroleum Services [3]	Egypt	Joint venture	49.9%	49.9%	12,541	24,950
Egyptian Company for Solid Waste Recycling (ECARU)	Egypt	Associate	31%	31%	17,546	3,969
Al Kateb Co for Marketing and Distribution	Egypt	Associate	48.88%	48.88%	3,983	2,994
Allmed Medical industries [4]	UK	Associate	-	-	-	-
Ascom Precious Metals (APM) [5]	Ethiopia	Associate	-	-	-	-
Ostool Transport and Logistics [6]	Egypt	Associate	-	-	-	-
Engineering Tasks Group (ENTAG) [7]	Egypt	Associate	31 %	31%	-	-
Total					**6,926,793**	**4,806,449**
Accumulated impairment loss					(111,146)	(111,146)
Net					**6,815,647**	**4,695,303**

1) On 27 March 2024, the group transferred to Financial Holdings International Limited ("FHI") its indirectly owned shares (27.21%) in National Printing Company S.A.E. (a subsidiary of Grandview) resulting in the derecognition of the subsidiary (refer to note 3(a)). The retained interest was remeasured at fair value and accounted for as an investment in associate using the equity method.

2) As of 31 December 2023, the Group disposed 31.45% of its shares in TAQA resulting in the derecognition of the subsidiary (refer to note 3(a)). The retained interest was remeasured at fair value and accounted for as an investment in associate using the equity method.

The fair value of TAQA Arabia as of 31 December 2024 was EGP 12.51 (EGP 13.45:2023) per share.

3) On 4 September 2023, a new Company was established under the name of "Wathba for Petroleum Services". The Company's total authorized capital is EGP 100M whereas Qalaa Capital's share is 49.9% amounting to EGP 49.9M. As of 31 December 2024, the Group has paid its half portion of the issued and called up capital amounting to EGP 24.9M. Additionally the group paid an amount of EGP 12.5 million as payment under capital increase during the year ended 31 December 2024.

The management has assessed the Company as a joint venture due to the following facts:

A) Qalaa has 49.9% of the ownership interest of "Wathba for Petroleum Services".
B) Qalaa has 4 out of 8 of the board members of "Wathba for Petroleum Services" with joint management control and equal voting rights.
C) All relevant decision requires unanimous consent from all the shareholders.

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

Interests in other entities (continued)

4) 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.

The below table represents the loss on the sale of Allmed Medical Industries - UK for the year ended 31 December 2023.

	Allmed Medical Industries - UK
Consideration received	138,400
(Less): Carrying amount of investment at the date of sale	(156,416)
loss on sale	**(18,016)**

5) 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.

The below table represents the gains on the sale of Ascom Precious Metals (APM) for the year ended 31 December 2023.

	Ascom Precious Metals (APM)
Consideration	3,219,691
(Less):Transaction cost	(23,217)
(Less): Carrying amount of investment at the date of sale	(128,716)
Gain on sale	**3,067,758**

6) On 6 June 2022, the Group's management through "Citadel Capital Transportation Opportunities Ltd." has purchased 10% of "Ostool Transport and Logistics" Ostool" Company's shares which represent 8,660,163 shares amounting to EGP 42.9M from one of Ostool's shareholders. In 2022, the Group determined that they have significant influence over Ostool through an active exercisable call option which grants the Group an additional 27% of Ostool. The Group reassessed this judgment as the option expired and concluded that the option is no longer exercisable as of 31 December 2023 and reclassified it to financial assets at fair value through other comprehensive income note 5(b).

7) The Group management has stopped recognizing its share of losses for Engineering Tasks Group (ENTAG) as the Group's share of losses exceeded its investment with no further obligations. The unrecognised share of gain of this associate is EGP 370K for 2024 (Cumulative: EGP 6,495K).

Interests in other entities (continued)

(i) Nature of activities

Associate / Joint venture	Activities
TAQA Arabia	The group is primarily involved in the following activities: • Construct, manage, operate, and maintain natural gas transmission and distribution lines. • Construct, manage, operate, and maintain power plants, electricity transformers, and distribution networks. • Construct, manage, operate, and maintain water desalination stations, refineries, water purification, distribution networks, transmission lines, as well as pumping stations, processing and purification, sewage and industrial drainage grid. • Distribute electricity, natural gas and water to the company or to third parties, subject to the provision of laws, regulations and decrees applicable licensing conditions for the exercise of such activities. • Market oil products, mineral oils, chemicals and natural gas. • Purchase, sale, transport, and storage of oil products and mineral oil. • Providing consulting services in the areas mentioned above.
National Printing Company	printing and packaging of folded boxes, corrugated boxes and corrugated sheets, duplex board, laminated boxes, paper cups, single face sheets, sheeter, adhesives, varnishes, among others The Group has a well-diversified and growing client base serving more than 15 different sectors including FMCG, pharmaceuticals, white goods, education, electronics, publishing,
Zahana Cement Company	Cement manufacturing
Dar AL Sherouk Company	Sale and distribution of literary and artistic products of all kinds, including books and magazines, musical and cinematic, television, and recording works.
Wathba for Petroleum Services	Designing, constructing, managing, producing, or maintaining electricity and energy generation stations of all kinds, as well as their distribution and sale networks. Establishment of warehouses for filling and storing crude oil and petroleum products, as well as filling butane gas. Establishment and operation of a factory for the production and refining of petroleum products, natural gas, and petrochemicals, preliminary, intermediate, and final, and filling the gas. Wholesale and retail trade of petroleum products of all kinds, especially refined petroleum products.
Engineering Tasks Group (ENTAG)	Design and manufacture of industrial machinery and equipment, production lines, and restructuring of factories. Execution management for industrial projects, utility projects, and technical and administrative restructuring of factories.
Al Kateb Co for Marketing and Distribution	Marketing and distributing books including books and magazines, musical and cinematic, television, and recording works.
Egyptian Company for Solid Waste Recycling (ECARU)	The production of natural organic fertilizers as an alternative to house moss, the production of wood panels from agricultural crop residues, and other activities.

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

Interests in other entities (continued)

(ii) Group share in results of associates and joint ventures

	Dar Al-Sherouk BVI		Ascom Precious Metals (APM)		Allmed Medical Industries	
	2024	2023	2024	2023	2024	2023
Current assets	132,146	115,207	-	-	-	-
Non-current assets	250,490	244,503	-	-	-	-
Total assets	**382,636**	**359,710**	-	-	-	-
Current liabilities	110,338	107,995	-	-	-	-
Non-current liabilities	33,269	25,747	-	-	-	-
Total liabilities	**143,607**	**133,742**	-	-	-	-
Net assets	**239,029**	**225,968**	-	-	-	-
Reconciliation of net assets						
Opening net assets	225,968	**212,336**	-	**290,286**	-	**416,113**
Profit for the year	13,061	13,632	-	91,283	-	-
Other comprehensive income		-	-	(19,398)	-	105,273
Disposal		-	-	(362,171)	-	(521,386)
Ending net assets	**239,029**	**225,968**	-	-	-	-
Reconciliation to carrying amounts						
Opening at 1 January	**132,214**	**124,238**	-	**103,168**	-	**124,834**
Group share in profit / (loss) for the year	7,642	7,976	-	32,442	-	-
Group share in other comprehensive income/ (loss)		-	-	(6,894)	-	31,582
Disposal		-	-	(128,716)	-	(156,416)
	139,856	**132,214**	-	-	-	-
Accumulated impairment	(111,146)	(111,146)	-	-	-	-
Carrying amount at 31 December	**28,710**	**21,068**	-	-	-	-
Net assets	**239,029**	**225,968**	-	-	-	-
Group's share in %	**58.51%**	**58.51%**	-	-	-	-
Group's share in EGP	**139,856**	**132,214**	-	-	-	-

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

Interests in other entities (continued)

	Egyptian Company for Solid Waste Recycling (ECARU)		Engineering Tasks Group (ENTAG)		National Printing		Zahana Cement Company	
	2024	2023	2024	2023	2024	2023	2024	2023
Current assets	493,777	273,235	30,869	10,884	4,400,095	3,341,245	1,965,802	1,515,806
Non-current assets	64,346	71,877	7,461	4,985	2,549,776	2,138,502	17,532,638	11,153,364
Total assets	**558,123**	**345,112**	**38,330**	**15,869**	**6,949,871**	**5,479,747**	**19,498,440**	**12,669,170**
Current liabilities	483,051	293,438	60,486	39,800	4,023,725	600,469	1,756,580	1,672,274
Non-current liabilities	18,472	38,871	805	505	465,203	2,697,962	16,914,646	10,138,367
Total liabilities	**501,523**	**332,309**	**61,291**	**40,305**	**4,488,928**	**3,298,431**	**18,671,226**	**11,810,641**
Net assets	**56,600**	**12,803**	**(22,961)**	**(24,436)**	**2,460,943**	**2,181,316**	**827,214**	**858,529**
Reconciliation of net assets								
Opening net assets	12,803	**(38,713)**	(24,436)	**(758)**	2,181,316	**1,257,793**	858,529	**1,042,894**
Profit / (loss) for the year	43,797	51,516	1,475	(23,678)	640,840	683,380	(28,573)	(181,731)
Other comprehensive income	-	-		-	-	515,040	(2,742)	(2,634)
Other components of equity					(361,213)	(274,897)		
net assets	**56,600**	**12,803**	(22,961)	**(24,436)**	**2,460,943**	**2,181,316**	**827,214**	**858,529**
Net assets attributable to NCI	-	-	-	-	(549,099)	(518,953)	-	-
Ending net assets attributable to owners of the company	-	-	-	-	**1,911,844**	**1,662,363**	-	-
Reconciliation to carrying amounts								
Opening at 1 January	**3,969**	-	-	-	-	-	**300,485**	**365,013**
Additions					**1,888,600**	-		
Group share in profit / (loss) for the year	13,577	3,969	-	-	71,438	-	(10,003)	(63,606)
Group share in other comprehensive income/ (loss)		-	-	-	(37,726)	-	(957)	(922)
	17,546	**3,969**	-	-	**1,922,312**	-	**289,525**	**300,485**
Accumulated impairment	-	-	-	-	-	-	-	-
Carrying amount at 31 December	**17,546**	**3,969**	-	-	**1,922,312**	-	**289,525**	**300,485**
Net assets	**56,600**	**12,803**	-	-	**1,911,844**	-	**827,214**	**858,529**
Group's share in %	**31%**	**31%**	**31%**	**31%**	**27.21%**	-	**35%**	**35%**
Group's share in EGP	**17,546**	**3,969**	-	-	**520,175**	-	**289,525**	**300,485**
Fair value gain on retained interest	-	-	-	-	**1,402,137**	-	-	-
Group's share in EGP	**17,546**	**3,969**	-	-	**1,922,312**	-	**289,525**	**300,485**

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

Interests in other entities (continued)

	Ostool Transport and Logistics		Wathba for Petroleum services		TAQA Arabia	
	2024	2023	2024	2023	2024	2023
Current assets	-	-	82,759	20,190	9,823,807	10,546,277
Non-current assets	-	-	295,061	31,443	8,551,515	6,802,197
Total assets	**-**	**-**	**377,820**	**51,633**	**18,375,322**	**17,348,474**
Current liabilities	-	-	87,081	1,633	9,489,958	10,392,720
Non-current liabilities	-	-	265,606	-	4,829,170	3,959,597
Total liabilities	**-**	**-**	**352,687**	**1,633**	**14,319,128**	**14,352,317**
Net assets	**-**	**-**	**25,133**	**50,000**	**4,056,194**	**2,996,157**
<u>Reconciliation of net assets</u>						
Opening net assets	**-**	**499,790**	**50,000**	**25,000**	**2,996,157**	**2,397,473**
Additions	-	-	50,000	25,000		-
(Loss) / Profit for the year	-	-	(74,867)	-	789,913	641,493
Other comprehensive income	-	-		-	679,364	186,899
Other components of equity	-	-		-	(409,240)	(229,708)
Transfer to financial assets at fair value through other comprehensive income	-	(499,790)		-		-
net assets	**-**	**-**	**25,133**	**50,000**	**4,056,194**	**2,996,157**
Net assets attributable to NCI	**-**	**-**	**-**	**-**	**(225,541)**	**-**
Ending net assets	**-**	**-**	**25,133**	**50,000**	**3,830,653**	**2,996,157**
<u>Reconciliation to carrying amounts</u>						
Opening at 1 January	**-**	**49,979**	**24,950**	**12,475**	**4,341,837**	**-**
Additions	-	-	24,950	12,475		-
Group share in profit / (loss) for the year	-	-	(37,359)	-	167,577	-
Group share in other comprehensive income/ (loss)	-	-		-	103,531	-
Other components of equity	-	-		-	(71,885)	-
Transfer from subsidiary due to loss of control including notional goodwill	-	-		-		4,341,837
Investments transferred to financial assets at fair value through other comprehensive income	-	(49,979)		-		-
	-	**-**	**12,541**	**24,950**	**4,541,060**	**4,341,837**
Accumulated impairment	-	-		-	-	-
Carrying amount at 31 December	**-**	**-**	**12,541**	**24,950**	**4,541,060**	**4,341,837**
Net assets	**-**	**-**	**25,133**	**50,000**	**3,830,653**	**2,996,157**
Group's share in %	**-**	**-**	**49.90%**	**49.90%**	**23.87%**	**23.87%**
Group's share in EGP	**-**	**-**	**12,541**	**24,950**	**914,377**	**715,183**
Fair value gain on retained interest	-	-		-	3,626,654	3,626,654
Group's share in EGP	**-**	**-**	**12,541**	**24,950**	**4,541,031**	**4,341,837**

(iii) Summarised financial information for associates and joint ventures

31 December 2024	**Total assets**	**Total shareholders' equity**	**Total revenue**	**Net profit / (loss) for the year**
TAQA Arabia	18,375,322	4,056,194	18,904,696	789,913
National Printing Company	6,949,871	2,460,943	7,140,482	640,840
Dar Al Sherouk Company	382,636	239,029	119,845	13,061
Al Kateb Co for Marketing and Distribution	34,481	8,881	29,512	2,505
Egyptian Company for Solid Waste Recycling (ECARU)	558,123	56,600	952,815	43,797
Engineering Tasks Group (ENTAG)	38,330	(22,961)	35,177	1,496
Wathba for Petroleum services	377,820	25,133	-	(74,867)
Zahana Cement Company	19,498,440	827,214	1,871,505	(28,573)

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

Interests in other entities (continued)

* For the profit or loss information, please refer to note 15.

31 December 2023	Total assets	Total shareholders' equity	Total revenue	Net profit / (loss) for the year
TAQA Arabia	17,348,474	2,996,157	13,463,799	641,493
National Printing Company	5,479,747	2,181,316	5,181,266	683,380
Dar Al Sherouk Company	359,710	225,968	97,406	13,632
Al Kateb Co for Marketing and Distribution	38,209	2,481	23,403	1,165
Egyptian Company for Solid Waste Recycling (ECARU)	345,112	12,803	546,895	51,516
Engineering Tasks Group (ENTAG)	15,869	(24,436)	3,111	(23,678)
Wathba for Petroleum services	51,633	50,000	-	-
Zahana Cement Company	12,669,170	858,529	1,759,949	(181,731)

Significant judgements

The Group has determined that they do not control Dar Elsherouk Company even though the Group owns 58.51% 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 shareholders that gives the other shareholders the right to control as the chairman and the majority of board members hired by the other shareholder. The proportion of the voting rights held by the Group is 44%. If consolidation was required, the total assets would increase by EGP 382M (2023: EGP 360M) and total liabilities would increase by EGP 144M (2023: EGP 134M).

3. Discontinued operation

3(a) Description

31 December 2024

National Printing S.A.E (Subsidiary of Grandview) (Packaging & printing sector)
On 27 March 2024, Qalaa transferred to Financial Holdings International Limited ("FHI") its indirectly owned shares (27.21%) in National Printing Company S.A.E. (a subsidiary of Grandview), with Qalaa retaining a call option to purchase back this stake within two years.
Qalaa had power over Grandview due to the appointment of the directors and the power provided by the participation agreement. Management had begun discussions with FHI, a significant shareholder (41.50%) in Grandview and a lender to the broader Qalaa Group, prior to the year-end of 2023 to progress with the transactions involving the Grandview and National Printing Company S.A.E shareholding.

On 14 December 2023, the board of directors of National Printing Company agreed on listing the company's shares on the Egyptian Stock Exchange through an initial public offering. In addition, on 31 December 2023, a share purchase and debt settlement agreement were drafted between Qalaa and FHI.

In order to facilitate the proposed transaction, Qalaa signed a termination letter relating to the management powers set out in the participation agreement resulting in a loss of control over investment in Grandview as of 31 March 2024. As loss of control is considered a deemed disposal under the accounting standards, this resulted in classifying Grandview's assets and liabilities as held for sale as of the year ended 31 December 2023

31 December 2023

TAQA Arabia (Energy sector)

A) Transaction with National Services Project Organization (NSPO)
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 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". The shares were disposed of to NSPO to settle certain debt obligations of the Group to an amount of EGP 1.6 billion.

As part of the transaction, the NSPO granted the Group call option at an agreed disposal price which escalates annually. The call option provides Qalaa the contractual right to re-acquire the shares at any time over the next four years starting from the date of the transaction. Further details are set out in note 5(f)(iv) in the annual consolidated financial statements for the year ended 31 December 2023.

The call option was judged to be substantive and as a result the Group did not lose control over the company on the date of transaction on 24 July 2023. The transaction was accounted for as a transaction with non-controlling interest.

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

Discontinued operation (continued)

B) Transaction with certain lenders of the ultimate parent company

Subsequent to the above transaction, in December 2023, the Group transferred an additional 154,844,510 shares representing 11.45% of the total shares of the company to certain third parties to settle certain outstanding debt obligations of the ultimate parent company. The fair value of the shareholding based on the fair value of the shares was EGP 1.4 billion. The amount will be settled by future dividend payments and future due management fees to the parent and as such the management has classified this amount as an equity balance rather than a financial asset due to the fact that there will be no future cash flows associated with the balance and it will rather be settled from the future dividends and future due management fees. There was no call or put option attached to these shares.

Following the two transactions, the Group owns 23.87% of the total shares of the company and has 43.87% voting rights in the general assembly. The Group does not have majority voting rights in the general assembly and the remaining shares and voting rights are held by few other investors who could out vote the Group at the general assembly. On that basis management has judged that the Group has lost control over the Company.

3(b) Profit from discontinued operations and cash flow information

Discontinued operations after tax are represented in the following:

	Grandview	Total
31 December 2024		
Revenue	1,458,966	**1,458,966**
Cost of revenue	(1,046,586)	**(1,046,586)**
General and administrative & selling and marketing expenses	(113,761)	**(113,761)**
Other income – net	23,876	**23,876**
Finance cost – net	(12,082)	**(12,082)**
Operating profits before taxes	**310,413**	**310,413**
Income tax	(53,262)	**(53,262)**
Deferred tax	(7,679)	**(7,679)**
Profit after income tax of discontinued operation	**249,472**	**249,472**
Gain on sale of investment in subsidiary *	9,694,134	**9,694,134**
Net profit for the period	**9,943,606**	**9,943,606**
Income tax	-	**-**
Profit from discontinued operations, net of tax	**9,943,606**	**9,943,606**
Net cash flow generated from operating activities	81,781	**81,781**
Net cash flow used in investing activities	(60,632)	**(60,632)**
Net cash flow generated from financing activities	255,643	**255,643**
Net decrease in cash generated from by the subsidiary	**276,792**	**276,792**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Discontinued operation (continued)

	TAQA Arabia	Grandview	Total
31 December 2023			
Revenue	13,463,681	5,179,067	**18,642,748**
Cost of revenue	(11,833,097)	(3,665,507)	**(15,498,604)**
General and administrative & selling and marketing expenses	(483,711)	(418,141)	**(901,852)**
Other expenses – net	(127,675)	124,327	**(3,348)**
Finance cost – net	(170,822)	(349,744)	**(520,566)**
Operating profits before taxes	**848,376**	**870,002**	**1,718,378**
Income tax	(274,733)	(192,362)	**(467,095)**
Deferred tax	16,008	(22,137)	**(6,129)**
Profit after income tax of discontinued operation	**589,651**	**655,503**	**1,245,154**
Gain on sale of investment in subsidiary *	4,985,903	-	**4,985,903**
Net profit for the year	**5,575,554**	**655,503**	**6,231,057**
Income tax	-	-	-
Profit from discontinued operations, net of tax	**5,575,554**	**655,503**	**6,231,057**
Net cash flow generated from operating activities	1,296,070	1,130,018	**2,426,088**
Net cash flow generated from / (used in) investing activities	41,545	(1,548)	**39,997**
Net cash flow used in financing activities	(864,358)	(5,028)	**(869,386)**
Net increase in cash generated from by the subsidiaries	**473,257**	**1,123,442**	**1,596,699**

* The gain on sale of investment in subsidiary includes a gain on remeasurement of the 23.87% retained interest amounting to EGP 3.6 billion.

Details of the sale that resulted in a loss of control

	2024	2023
Fair value of retained interest note 2(f)	1,888,600	4,341,809
Transfer of shares to ultimate parent company note 7(c)(ii)	-	1,378,121
settled loan	10,628,142	-
Total disposal consideration	**12,516,742**	**5,719,930**
National printing substantive call option liability note 5 (e)(3)	(1,888,600)	-
Carrying amount of net assets sold	(1,590,388)	(2,733,515)
Amount of post completion payment	(424,935)	-
Remaining share liability	(9,216)	-
Non-controlling interests	746,068	1,564,610
Gain on sale before income tax and reclassification of foreign currency translation reserve and other equity reserves	**9,349,671**	**4,551,025**
Reclassification of foreign currency translation reserve and other equity reserves	344,463	434,878
Income tax expense on gain	-	-
Gain on sale after income tax	**9,694,134**	**4,985,903**

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

Discontinued operation (continued)

** The table below includes the assets and liabilities of Grandview (after eliminations) summarized by each major category

	31 March 2024
Fixed assets, PUC and investment in properties	1,623,043
Deferred tax assets	15,037
Total non-current assets	**1,638,080**
Inventories	1,123,181
Financial assets at amortized cost and other debit balances	2,238,747
Cash and cash equivalents	735,467
Total current assets	**4,097,395**
Total assets	**5,735,475**
Borrowings	548,524
Deferred tax liabilities	159,535
Total non-current liabilities	**708,059**
Trade payables and other credit balances	1,576,297
Borrowings	1,698,674
Provisions	162,057
Total current liabilities	**3,437,028**
Total liabilities	**4,145,087**
Net assets	**1,590,388**

3 (c) Significant estimates and assumptions

Arbitration based on the Bilateral Investment Treaty

Qalaa and one of its subsidiaries commenced an arbitration in 2021 administered by the Permanent Court of Arbitration in relation to a dispute with a foreign government. Hearings were held in 2024 and were followed by two rounds of post-hearing submissions.

Management has assessed the facts surrounding the claim and has concluded that no contingent asset should be recognised in the consolidated financial statements. In accordance with EAS 28 Provisions, Contingent Liabilities and Contingent Assets, no contingent asset has been recognised in the financial statements as EAS 28 prohibits the recognition of contingent assets unless the realisation of income is virtually certain which is not currently the case.

In a separate agreement between Qalaa and Financial Holding International Limited (“FHI”), a payment to FHI is required by Qalaa should the claim be resolved in favour of the Qalaa Group and the cash received exceeds a minimum amount. This obligation meets the definition of a financial liability under EAS 25 Financial Instruments: Presentation and is required to be initially measured at fair value and subsequently at amortised cost. Given that it is difficult to determine the impact of the arbitration on the Company’s current or future profits at such an early stage of the proceedings, management has concluded that the carrying amount of the liability is immaterial at the end of the reporting period.

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

Discontinued operation (continued)

Management will continually reassess the estimates and assumptions related to the potential recognition of the contingent asset and the measurement of the financial liability due to FHI. These assessments will be conducted in line with the latest developments in the arbitration proceedings.

The contract with the third party indicates higher percentage shares in any proceeds should be paid the higher the amount of the award. Should a payment be required at any future time, this will arise in conjunction with the realisation of a currently unrecognised contingent asset.

3(c) Assets and liabilities of disposal Groups classified as held for sale

(i) Assets

	Grandview	Ledmore Holding Limited	Asenpro	Total
31 December 2024				
Fixed assets	-	-	-	**-**
Projects under construction	-	-	-	**-**
Investment in properties	-	-	-	**-**
Trade receivables and other debit balances	-	12,442	-	**12,442**
Deferred tax assets	-	-	-	**-**
Inventories	-	-	-	**-**
Due from related parties	-	-	-	**-**
Cash and cash equivalents	-	10,523	-	**10,523**
	-	**22,965**	-	**22,965**
Impairment	-	-	-	-
Balance	-	**22,965**	-	**22,965**

	Grandview	Ledmore Holding Limited	Asenpro	Total
31 December 2023				
Fixed assets	1,513,996	-	4,826	**1,518,822**
Projects under construction	33,916	-	-	**33,916**
Investment in properties	9,975	-	-	**9,975**
Trade receivables and other debit balances	1,681,985	7,561	-	**1,689,546**
Deferred tax assets	31,945	-	-	**31,945**
Inventories	1,028,905	-	-	**1,028,905**
Due from related parties	20,120	-	-	**20,120**
Cash and cash equivalents	489,844	6,394	-	**496,238**
	4,810,686	**13,955**	**4,826**	**4,829,467**
Impairment	-	-	-	-
Balance	**4,810,686**	**13,955**	**4,826**	**4,829,467**

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

Discontinued operation (continued)

(ii) Liabilities

	Grandview	Mena Home Furnishing Malls Ltd.	Ledmore Holding Limited	Asenpro	Total
31 December 2024					
Borrowings and loans	-	-	-	-	**-**
Trade payables and other credit balances	-	2,680	2,554	-	**5,234**
Deferred tax liabilities	-	-	-	-	**-**
Provisions	-	-	-	-	**-**
Due to related parties	-	-	-	-	**-**
Balance	**-**	**2,680**	**2,554**	**-**	**5,234**

	Grandview	Mena Home Furnishing Malls Ltd.	Ledmore Holding Limited	Asenpro	Total
31 December 2023					
Borrowings and loans	1,991,556	-	-	-	**1,991,556**
Trade payables and other credit balances	1,058,846	1,628	1,401	-	**1,061,875**
Deferred tax liabilities	168,543	-	-	249	**168,792**
Provisions	136,265	-	-	-	**136,265**
Due to related parties	18,520	-	-	-	**18,520**
Balance	**3,373,730**	**1,628**	**1,401**	**249**	**3,377,008**

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

4. Hyper-inflationary economies

During the year of 2018, the Group adopted IAS 29, "*Financial Reporting in Hyperinflationary Economies*". The Sudanese economy has been considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiary "Al-Takamol for Cement Company" have been expressed in terms of the current measuring unit at the reporting date.

Significant judgement

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, and associates is the 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 exceeding, 100%.

Management exercises judgement as to when a restatement of the financial statements of a Group entity becomes necessary. Following management's assessment, the Group's subsidiary in Sudan, Al-Takamol for Cement has been accounted for as entities operating in hyperinflationary economies.

The results, cash flows and financial positions of Al-Takamol for Cement have been expressed in terms of the current measuring units at the reporting date. The inflation-adjusted financial information is stated in terms of the current Sudanese Pound at the reporting date using Consumer Price Index (CPI) for Sudanese supplied by the Central Statistical Office. The general price indices used in adjusting the results, cash flows, and the financial position of Al-Takamol for Cement set out below are based on the Consumer Price Index (CPI) published by Sudan Bureau for Statistics. Management applied the below conversion factors as fixed assets additions took place during all of these years.

Year	Index	Conversion factor
2024	375,310.45	1.52
2023	82,940.17	1.15
2022	67,680.35	1.25
2021	36,131.06	1.63
2020	8,639.50	1.77
2019	2,291.21	1.21
2018	1,365.05	1.23
2017	861.5	1.76
2016	688.37	2.25
2015	527.59	2.74
2014	468.6	3.24
2013	372.9	4.29

4. Hyper-inflationary economies (continued)

Hyper-inflationary economies (continued)

The net monetary gains from operating activities are as follows:

31 December 2024

In thousand Sudanese Pound	Closing Position	Closing purchasing power	Inflation adjustments
Fixed assets	1,468,627	531,169,483	529,700,856
Project under construction	804,429	5,260,843	4,456,413
Share capital	1,205,705	1,177,466,975	1,176,261,269
/(Accumulated losses)/ Retained earnings	(239,275)	(524,062,303)	(523,823,028)
Inventories	21,533,186	139,814,158	118,280,972

31 December 2023

In thousand Sudanese Pound	Closing Position	Closing purchasing power	Inflation adjustments
Fixed assets	873,571	143,588,695	73,823,755
Project under construction	948,609	1,306,155	(196,622)
Share capital	1,205,705	236,162,738	(22,970,973)
(Accumulated losses)/ Retained earnings	(2,656,168)	(68,940,223)	3,783,030
Inventories	19,464,791	45,065,098	13,378,195

The effect on the consolidated statement of profit or loss is as follows:

In thousand Sudanese Pound	2024	2023
Increase in revenues	30,608,983	5,071,030
Decrease in EBITDA	(3,861,330)	(2,852,739)
Net monetary gain	31,556,577	3,868,762
Decrease in profit after tax	(37,742,692)	(11,402,925)

Exchange rate used

However, The Group’s management consulted with the Egyptian Accounting Standards Board (“EASB”) to obtain clarification on what rate should be used for the purpose of conversion under the principles of EAS 13 (Effects of changes in foreign exchange rates). The EASB provided clarity to the Group on 18 April 2021 that the exchange rate to be used for purposes of EAS 13 is determined by parallel market rate and not the official rate. As of 31 December 2024, the parallel market rate was SDP 0.0194 to 1 EGP.

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

Financial position

5. Financial assets and financial liabilities

The Group holds the following financial instruments:

Financial assets	Notes	FVTPL	Derivative financial instruments	Equity instruments at FVOCI	Financial assets at amortised cost	Total
As at 31 December 2024						
Trade and other receivables *	5(a)	-	-	-	13,843,692	**13,843,692**
Due from related parties	21(a)	-	-	-	440,513	**440,513**
Financial assets at fair value through other comprehensive income	5(b)	-	-	98,822	-	**98,822**
Financial assets at fair value through profit or loss	5(c)	1,032,748	-	-	-	**1,032,748**
Restricted cash	5(d)	-	-	-	11,215,019	**11,215,019**
Cash and cash equivalents	5(d)	-	-	-	2,698,056	**2,698,056**
Derivative financial instruments	5(f)	-	1,309,428	-	-	**1,309,428**
		1,032,748	**1,309,428**	**98,822**	**28,197,280**	**30,638,278**

Financial assets	Notes	FVTPL	Derivative financial instruments	Equity instruments at FVOCI	Financial assets at amortised cost	Total
As at 31 December 2023						
Trade and other receivables *	5(a)	-	-	-	14,877,362	**14,877,362**
Due from related parties	21(a)	-	-	-	776,036	**776,036**
Financial assets at fair value through other comprehensive income	5(b)	-	-	57,916	-	**57,916**
Financial assets at fair value through profit or loss	5(c)	1,865,293	-	-	-	**1,865,293**
Restricted cash	5(d)	-	-	-	6,927,292	**6,927,292**
Cash and cash equivalents	5(d)	-	-	-	1,975,005	**1,975,005**
Derivative financial instruments	5(f)	-	2,056,155	-	-	**2,056,155**
		1,865,293	**2,056,155**	**57,916**	**24,555,695**	**28,535,059**

* Excluding prepayments, advance to suppliers and contract assets.

Financial liabilities	Notes	FVTPL	Derivative financial instruments	Financial liabilities at amortised cost	Leases	Total
As at 31 December 2024						
Trade and other payables **	5(e)	-	-	16,193,732	-	**16,193,732**
Due to related parties	21(b)	-	-	3,396,932	-	**3,396,932**
Lease liabilities	6(b)(2)	-	-	-	1,224,622	**1,224,622**
Borrowing from financial leasing entities	5(i)	-	-	862,374	-	**862,374**
Loans and borrowings	5(h)	-	-	111,372,280	-	**111,372,280**
Financial liabilities at fair value through profit or loss	5(g)	2,004,523	-	-	-	**2,004,523**
		2,004,523	-	**131,825,318**	**1,224,622**	**135,054,463**

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

Financial assets and financial liabilities (continued)

Financial liabilities	Notes	FVTPL	Derivative financial instruments	Financial liabilities at amortised cost	Leases	Total
As at 31 December 2023						
Trade and other payables **	5(e)	-	-	12,154,431	-	**12,154,431**
Due to related parties	21(b)	-	-	2,252,603	-	**2,252,603**
Lease liabilities	6(b)(2)	-	-	-	930,966	**930,966**
Borrowing from financial leasing entities	5(i)	-	-	479,251	-	**479,251**
Loans and borrowings	5(h)	-	-	81,456,956	-	**81,456,956**
Financial liabilities at fair value through profit or loss	5(g)	869,867	-	-	-	**869,867**
Derivative financial instruments	5(f)	-	2,322	-	-	**2,322**
		869,867	**2,322**	**96,343,241**	**930,966**	**98,146,396**

** Excluding non-financial liabilities.

5(a) Trade and other receivables

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables – government	8,167,526	-	**8,167,526**	12,122,681	-	**12,122,681**
Trade receivables – non-government	1,905,046	-	**1,905,046**	1,271,644	-	**1,271,644**
Impairment for credit losses (note 26(b-2))	(433,097)	-	**(433,097)**	(642,014)	-	**(642,014)**
	9,639,475	**-**	**9,639,475**	**12,752,311**	**-**	**12,752,311**
Other receivables	2,583,319	3,223,811	**5,807,130**	1,825,930	1,719,510	**3,545,440**
Contract assets	474,741	-	**474,741**	124,640	-	**124,640**
Impairment of contract assets and other receivables (note 26(b-2))	(610,245)	(992,668)	**(1,602,913)**	(700,603)	(719,786)	**(1,420,389)**
	2,447,815	**2,231,143**	**4,678,958**	**1,249,967**	**999,724**	**2,249,691**
Prepayments	2,582,496	-	**2,582,496**	1,444,949	-	**1,444,949**
Total trade and other receivables	**14,669,786**	**2,231,143**	**16,900,929**	**15,447,227**	**999,724**	**16,446,951**

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business (segment information, note 8). If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are generally due for settlement within 60 days and therefore are all classified as current. The Group's impairment and other accounting policies for trade and other receivables are outlined in note 28(j)(iv) and note 28(o) respectively.

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. No interest is usually charged on other receivables. The non-current other receivables are due and payable within three years from the end of the reporting period. The amount presented is discounted, the balance mainly represents the refundable deposits, payment under investment, due from the sale of investments and due from contractors from the supply of assets.

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

Financial assets and financial liabilities (continued)

Refundable deposits:
The balance relates to refundable deposits mainly represent deposits paid for recurring services received by subsidiaries like deposits for gas in ERC.

Due from the sale of investments:
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 The instalment has been used as collateral outlined in note 5 (g)(ii)
		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 instalments was classified in trade and other receivables at amortized cost as follows as of 31 December 2024:

	31 December 2024		
	Current	Non-current	Total
Measured at amortized cost:			
Present value	-	894,762	**894,762**
Expected credit loss	-	(240,187)	**(240,187)**
	-	**654,575**	**654,575**

The remaining amount is measured at fair value through profit or loss is disclosed in note 5(c).

An amount of EGP 1,603M (2023: EGP 1,420M) related to the impairment of the other receivable balances is included under the impairment of ECL.

Financial assets and financial liabilities (continued)

Payment under investments:
The other receivables include an amount of EGP 585 million, which represents paid amounts under the purchase of 90% of a company in the logistics business. As of 31 December 2024, the shares and all associated rights have not yet been transferred to the Group. The transfer is contingent upon the completion of the full payment as stipulated in the agreement.

(iii) Contract assets
The contract assets mainly relate to unbilled work in progress in ARESCO and have substantially similar risk characteristics as the trade receivables for the same types of contracts.

(iv) Prepayments
The balance mainly represents the advance to suppliers EGP 1,990,938 (2023: EGP 982,005), deposits with others EGP 237,188 (2023: EGP 56,277), and tax authorities balance EGP 330,848 (2023: EGP 334,040).

(v) Fair value of trade and other receivables
Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(vi) Impairment and risk exposure
Information about the impairment of trade and other receivables, their credit quality, and the Group's exposure to credit risk, foreign currency risk, and interest rate risk can be found in note 26(b), note 26(a)(i) and note 26(a)(iii) respectively.

(vii) Significant estimates
The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

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

Financial assets and financial liabilities (continued)

5(b) Financial assets at fair value through other comprehensive income

	2024	2023
Non-current assets		
Unlisted equity securities		
Ostool Transport and Logistics (Transportation sector)	79,400	50,847
EFG Capital Partners Fund III (Financial services sector)	19,422	7,069
	98,822	**57,916**

The following table represents the movement of investments at FVOCI for the year ended 31 December 2024:

	31 December 2024
1 January 2024	57,916
Change in fair value through other comprehensive income	96,919
Foreign currency translation differences	5,387
Disposals	(61,400)
Balance	**98,822**

(i) Classification of Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprises:

Equity securities that are not held for trading, and which the Group has irrevocably elected at initial recognition to be recognised in this category. These are strategic investments, and the Group considers this classification to be more relevant.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

(ii) Amounts recognised in other comprehensive income

During the year, the following gains / (losses) were recognised in other comprehensive income.

	2024	2023
Gains / (losses) recognised in other comprehensive income (note 7(c))	96,919	(1,457)
	96,919	**(1,457)**

(iii) Fair value and risk exposure

Information about the methods and assumptions used in determining fair value is provided in note 5(j).

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

Financial assets and financial liabilities (continued)

5(c) Financial assets at fair value through profit or loss

(i) Classification of Financial assets at fair value through Profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

• debt investments that do not qualify for measurement at either amortised cost or FVOCI
• equity investments that are held for trading, and
• equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Financial assets measured at FVPL include the following:

	31 December 2024		
	Current	Non-current	Total
Listed equity instruments			
Allied Gold Corporation *	-	948,448	**948,448**
Raya Holding for Financial investments**	84,300	-	**84,300**
	84,300	**948,448**	**1,032,748**

	31 December 2023		
	Current	Non-current	Total
Listed equity instruments			
Allied Gold Corporation *	1,316,596	543,719	**1,860,315**
Commercial International Bank (CIB)	4,978	-	**4,978**
	1,321,574	**543,719**	**1,865,293**

* The balance of Allied Gold Corporation includes portion to be settled through shares and another portion to be settled in order as follows:

	31 December 2024	31 December 2023
Portion to be settled in shares	-	941,297
Portion to be settled in cash	948,448	919,018
	948,448	**1,860,315**

The fair value of EGP 948M is being measured based on the quoted prices of the shares in the active stock market.

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" (A 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 trading (held for trading).

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

Financial assets and financial liabilities (continued)

According to the sale contract, there is a condition on the number of 3,821,932 shares whereby the Group cannot offer, sell, contract to sell, secure, mortgage, grant, or sell any option, right or security to purchase, loan, transfer or dispose of any of those shares without the approval of the issuer of shares for a period of six months from the date of transfer of ownership.

The Group used 7,500,000 shares as collateral for the facilities provided by St. James Bank. Note 5(h)

** On 25 June 2024, initially the Group management through "ASEC Company for Mining (ASCOM)" acquired 15,000,000 shares in "Raya Holding for Financial Investments" for an amount of EGP 59.9 million which represents 0.7% of the Company's total shares which is measured at FVTPL.

(ii) Amounts recognised in profit or loss

* Amount related to Allied gold Corporation
- On 31 December 2024, the Group 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 year ended 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
Balance as of January 1	**941,297**	-
Additions	-	1,428,016
Disposals	(562,873)	-
Disposals (closing of shares against loan)	(567,829)	-
Foreign currency translation differences	566,212	-
Impairment *	(320,553)	-
Financial asset fair value change through profit or loss (note 12(b))	(56,254)	(486,719)
	-	**941,297**

* APM formed an impairment by the difference between the loan balance owed to the St. James bank and the pledged shares fair value which is approximately USD 6.6 Million equivalent to EGP 320.5 Million. Refer to note 30j

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

Financial assets and financial liabilities (continued)

The instalments that the buyer can settle as shares, equivalent to the cash value of the instalments, were recognized as financial assets at fair value through profit or loss. The present value of the instalments was calculated using a discount rate of 6% annually, reflecting the prevailing interest rate on similar financial instruments.

	31 December 2024	31 December 2023
Current	-	375,299
Non-current	948,448	543,719
	948,448	**919,018**

** Amount related to Raya Holding for Financial Investments

Below is the change in fair value on financial asset due to the change in the share price of "Raya Holding for Financial Investments" in the Egyptian Stock Exchange for the year ended 31 December 2024:

	31 December 2024	31 December 2023
Balance as of January 1	-	-
Additions	59,900	-
Financial asset fair value change through profit or loss (note 12(b))	24,400	-
	84,300	**-**

(iii) Fair value exposure

Information about the methods and assumptions used in determining fair value is provided in note 5(j).

5(d) Cash and cash equivalents and restricted cash

	2024	2023
Current assets		
Banks - current accounts	13,692,830	8,744,219
Letters of guarantee	217,300	116,827
Cash on hand	18,907	22,570
Cheques under collection	1,090	20,749
Time deposits	21,538	7,136
Gross carrying amount	**13,951,665**	**8,911,501**
Impairment on banks accounts	(38,590)	(9,204)
Net Carrying value	**13,913,075**	**8,902,297**
Less:		
Restricted cash (ii)	(11,215,019)	(6,927,292)
Cash and cash equivalents	**2,698,056**	**1,975,005**

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

Financial assets and financial liabilities (continued)

(i) Classification as cash equivalents

Term deposits are held with banks and presented as cash equivalents if they have a maturity of three months or less from the date of placement and are repayable with 24 hours' notice with no loss of interest. See note 28(p) for the Group's other accounting policies on cash and cash equivalents.

The Group's cash and bank balances for the year ended 31 December 2024 and 2023 are held with reputable financial institutions with Moody's and Standard & Poor's credit ratings of A+ to B-.

(ii) Restricted cash

The restricted cash represented in EGP 217.3M (2023: EGP 116.8M), which is placed with banks as cash cover for letters of guarantee issued in favor of the Group and an amount of EGP 10.99 billion (2023: EGP 6.8B) related to Orient group which represents the amount in the trustee debt service accrual account that the company used to pay the interest of the loans.

The average effective interest rate on deposits on 31 December 2024 is 27% (2023: 19%). Time deposits and current accounts with banks are placed with local banks under the supervision of the Central Bank of Egypt.

5(e) Trade and other payables

	2024			2023		
	Current [1]	Non-current [3]	Total	Current [1]	Non-current [3]	Total
Trade payables [2]	7,035,992	2,324,557	**9,360,549**	7,710,383	99,093	**7,809,476**
Advances from customers and contract liabilities	2,239,395	-	**2,239,395**	2,364,507	-	**2,364,507**
Accrued expenses	4,087,567	-	**4,087,567**	1,446,643	-	**1,446,643**
Tax authority payable [4]	1,072,752	-	**1,072,752**	1,134,738	-	**1,134,738**
Social insurance authority	200,608	-	**200,608**	149,364	-	**149,364**
Other credit balances [5]	2,745,617	-	**2,745,617**	2,898,312	-	**2,898,312**
Total trade and other payables	**17,381,931**	**2,324,557**	**19,706,488**	**15,703,947**	**99,093**	**15,803,040**

1 Current trade payables are unsecured and are usually paid within 60 days of recognition.

2 This balance includes an amount of EGP 1.6B (2023: EGP 945 million) that is owed to the Egyptian General Petroleum Corporation (EGPC) for covering the finance charges related to the standby letter of credit issued for the unpaid portion of its equity investment.

2 The carrying amounts of the current trade and other payables are considered to be the same as their fair values due to their short-term nature.

3 The non-current trade payable balance includes an amount of EGP 2.2 billion related to the substantial call option liability in National Printing company. The remaining amount mainly represents the long-term retentions.

4 The balances owing to the tax authority do not include balances related to income taxes.

5 Other credit balances include an amount of EGP 496 million due to former Shareholders that resulted from prior acquisitions as well as financing certain subsidiaries.

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

Financial assets and financial liabilities (continued)

5(f) Derivatives financial instruments

	31 December 2024		
Assets / (liability)	**Current**	**Non-current**	**Total**
Interest rate swap contracts (ERC) (i)	-	-	**-**
Written call option agreement (NSPO) (iv)	-	1,309,428	**1,309,428**
Written call option agreement (CCII) (iii)	-	-	**-**
	-	**1,309,428**	**1,309,428**

	31 December 2023		
Assets / (liability)	**Current**	**Non-current**	**Total**
Interest rate swap contracts (ERC) (i)	129,446	-	**129,446**
Interest rate swap contracts (NSPO) (ii)	-	1,926,709	**1,926,709**
Written call option agreement (CCII) (iii)	-	(2,322)	**(2,322)**
	129,446	**1,924,387**	**2,053,833**

On 31 December 2024 and 31 December 2023, the Group held the following instruments to hedge exposures to changes in interest rates.

The table below discloses the profile of the timing of the nominal amount of the hedging instruments:

	2024			2023		
	Less than 1 year	**1-5 years**	**More than 5 years**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Interest rate risk						
Nominal amount	-	-	-	8,903,579	-	-
Average fixed interest rate	-	-	-	2.3475%	-	-

(i) Interest rate swap contracts (ERC)

Egyptian Refining Company (a subsidiary) has entered into five Interest Rate Swap transactions with the following parties:

- Société General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Standard Chartered Bank

The main terms of hedging instruments are as follows:

Trade date: 25 June 2012.
Effective date: 3 July 2012.
Termination date: 20 December 2024.
Fixed portion of the rate paid by the Company is 2.3475%.
Floating rate paid by the bank is USD - LIBOR - BBA 6 months.
Payment date: Semi–annually on 24 instalments commencing 20 December 2012.

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

Financial assets and financial liabilities (continued)

Maximum notional amount covered under these transactions is;
- US$ 789,445,078 by Standard Chartered Bank
- US$ 450,970,501 by Société General Corporate and Investment Banking
- US$ 435,971,044 by HSBC Bank Middle East Limited
- US$ 107,759,253 by KFW IPEX – Bank GMBH
- US$ 189,466,819 by Mitsubishi UFJ Securities International PLC

As of 31 December 2024, there are no outstanding hedging instruments, as the company has settled all these contracts.

(ii) Call option agreement (CCII)

According to the call option agreement signed between the Group and one of its shareholders, the agreement grants the shareholder the right but not the obligation to buy 2% of one of Qalaa for Financial Investments subsidiaries' issued capital (the Call Option) which can only be exercised upon the failure of Citadel Capital International Investment ltd. "CCII" (a subsidiary of the Group) to repay the borrowed principal on the maturity date. In July 2024 the call option expired.

(iii) Call option TAQA Arabia - agreement (NSPO)

On 9 July 2024, 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 2024) at the initial repurchase price plus an annual investment return as detailed in the shareholder's agreement.

The management has assessed that the call option is substantive and is considered as a potential voting right. The Group accounted for the call option as a derivative, initially recognized it at the fair value of EGP 1.16 billion and subsequently measured it through the consolidated statement of profit or loss as follows:

	31 December 2024	31 December 2023
Balance as of January 1	1,926,709	-
Amount recognized in equity	-	1,163,988
Fair value change through profit or loss (note 12(b))	(617,281)	762,721
	1,309,428	**1,926,709**

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

Financial assets and financial liabilities (continued)

5(g) Financial liabilities at fair value through profit or loss

	2024	2023
Opening balance at 1 January	869,867	676,325
Additions (ii)	386,356	-
Financial liability fair value change through profit or loss	178,019	24,370
Foreign currency translation differences	570,281	169,172
	2,004,523	**869,867**

i) On 31 December 2014, Citadel Capital for International Investment Ltd. Company "CCII" and Qalaa for Financial Investments S.A.E. entered into a swap a agreement with former shareholder, through which CCII will acquire the former shareholders' shareholding in one of the Group platforms against subscription in share capital increase of Qalaa for Financial Investments.

On 31 December 2014, the same parties commercially agreed, and Qalaa for Financial Investments S.A.E. thus guarantees to the formed shareholder, that the disposal of the invested shares shall achieve to the former shareholders a specific target cash return of USD 25,378K (target return), to be unconditionally made available to the former shareholder no later than the longstop date on 30 March 2017. Therefore, the Group management at the end of each reporting period is measuring the fair value of Qalaa for Financial Investments capital shares by reference to the quoted market price of the share and measuring the outstanding liability to reach the agreed target return.

Also, the parties agreed that the due amount shall bear 4% compound monthly interest, accordingly CCII recognized the difference between the fair value of the invested shares of Qalaa for Financial Investments and the target return plus the 4% monthly interest through the consolidated statement of profit and loss statement.

The fair value of the outstanding liability recognized (including interest) as of 31 December 2024 is US $30,910K (31 December 2023: US $28,157K).

ii) During the year ending December 31, 2024, one of the subsidiaries obtained a facility amounting to USD 8 million from a financing entity at a specified interest rate, secured against cash collateral by another group's subsidiary which is transferred and restricted subsequent to the period. The financing entity has the option to either claim the financed amount, including the specified interest, by January 10, 2026, or release the collateral and receive the financed amount under other repayment terms correlated to future proceeds of a certain litigation cases in the group's favor.

On 25 March 2025, the collateral was released pursuant to a new agreement, which included an additional facility amounting to USD 8 million, with other repayment terms for the total amount of USD 16 million. The total facility is secured by a collateral on a future payment expected in the third quarter of 2025 equals to the USD 16 million plus specified interest, until the full amount is paid. Additionally, there is an additional return under other repayment terms correlated to future proceeds of certain litigation cases in the group's favor.

If the payment does not occur as scheduled, the lender will be entitled to a higher return from the future proceeds of the specified litigation cases.

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

Financial assets and financial liabilities (continued)

5(h) Loans and borrowings

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Bank loans	29,530,432	61,986,652	**91,517,084**	69,121,932	1,649,523	**70,771,455**
Secured and Unsecured						
Loans from related parties	12,697,108	5,573,412	**18,270,520**	9,516,905	-	**9,516,905**
	42,227,540	**67,560,064**	**109,787,604**	**78,638,837**	**1,649,523**	**80,288,360**
Secured and Unsecured						
Short term facilities and bank overdrafts	1,584,676	-	**1,584,676**	1,168,596	-	**1,168,596**
	1,584,676	-	**1,584,676**	**1,168,596**	**-**	**1,168,596**
Total borrowings	**43,812,216**	**67,560,064**	**111,372,280**	**79,807,433**	**1,649,523**	**81,456,956**

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

Financial assets and financial liabilities (continued)

(i) Secured liabilities and assets pledged as security

The secured loans are secured by partial pledges, negative pledge, first degree mortgages, and bank guarantees that imposes certain covenants on the subsidiary that has received those loans.

Below is list of key securities provided by the Group and its entities as security for borrowings:

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
Arab Financial Investments Company (AFIC) Commercial International Bank **Loan currency:** EGP	Fixed	**Collaterals:** Pledge for the shares owned by CCII in Asec Cement which cover more than 100% of the liability, in addition to pledge of all tangible and intangible assets. **Repayment terms:** On 1 August 2023, the Company restructured its debt. An amount of EGP 84.6 M is to be paid in six equal installments ending on 30 Jan 2025, the company paid regularly the agreed instalments.	13,767	-	-	**13,767**	70,516	-	-	**70,516**
Arab Swiss Engineering Co. (ASEC) Ahli United Bank **Loan currency:** EGP	corridor + margin	**Collaterals:** Granted by the administrative building owned by the company. **Repayment terms:** On 18 April 2022, the Company restructured its debt. An amount of EGP 78 M to be paid over 6 years with a one-year grace period and a return of 5% annually on the remaining balance. The rest of the outstanding balance would be waived subject to compliance with all loan terms.	15,600	32,651	-	**48,251**	15,600	41,977	-	**57,577**
ASCOM company for chemicals and carbonates manufacturing Ahli United Bank **Loan currency:** USD	Libor + margin	**Collaterals:** - First degree mortgage for all property and real estate on the project. - First degree commercial mortgage on calcium carbonate production line. - Deposit all earnings resulting from future sale contracts related to calcium carbonate production in the operating account.	190,428	684,084	-	**874,512**	149,806	258,601	-	**408,407**

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For the year ended 31 December 2024

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Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
		- The company undertakes not to change, pledge, mortgage, sell or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the bank. - The waiver of the value of the final letter of guarantee issued by ALPINE, provided that such letter is acceptable to the Bank and is expressly waived in favor of the Bank. - Opening the account of the insurance proceeds with the bank. **Debt covenants:** - Maintain certain financial ratios as well as some commitments related to new borrowing operations, dividends and new investments. - The debt service ratio is not less than 1:2 for the entire period and the financial leverage shall not exceed 1.8 during the financing period. **Repayment terms:** The Company restructured its outstanding debt in March 2021. the key terms of the restructuring agreement are set out below, 1- The debt to be repaid over 5 years. 2- The interest reduced to 4.5% above libor.								
ASEC Cement Company Sudanese Egyptian bank **Loan currency:** SDG	Fixed	**Collaterals:** Pledge on the land of the factory, machinery and equipment of Al-Takamol for Cement Ltd. Co.	-	-	-	**-**	27,102	-	**-**	**27,102**
Qalaa for Financial Investments S.A.E. Citi Bank (syndication loan manager) (Arab African International Bank, Arab International bank, Bank De Caire, Banque Misr, and NBK) **Loan currency:** USD	Libor + margin	In the second quarter 2024, Qalaa and its related parties entered into a series of agreements to restructure and settle the syndicated loan provided in 2012. These agreements include a debt settlement signed in the second quarter of 2024 with Banque Misr, Banque du Caire, Arab African International Bank, and Al Ahli Bank of Kuwait (refer to 5H (i)(2)). Additionally, Qalaa and its related companies restructured their debt with Arab International Bank (refer to to 5H (i)(1). Qalaa shareholders, through QHRI, purchased the external debt owed by Qalaa to certain banks and financial institutions involved in the syndicated loan agreement (refer to 30 (F)).	8,899,523	-	-	**8,899,523**	7,451,664	-	5,887,908	**13,339,572**
Egyptian Refining Company – S.A.E ** Japan Bank for International Cooperation (JBIC) **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **-Promissory Note:** The Company provided each lender with original, signed, undated, and blank promissory notes.	3,329,970	2,757,071	369,513	**6,456,554**	6,766,871	-	596,007	**7,362,878**

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
		-Mortgage: The Company completed all commercial and real estate mortgage procedures and registered them at its Commercial Registration. The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. **-Guarantees and Covenants of the Common Terms Agreement (CTA)**:The Company cannot incur or maintain any financial indebtedness, undertake material capital or operating expenditures, incur or maintain any security interest, sell or dispose of any material assets, acquire any company or business, make any loans or guarantees, alter any rights attached to shares or loan capital, enter into any amalgamation or restructuring, engage in non-project-related activities, or amend its memorandum or articles of association without prior consent, except under **Repayment terms:** The loan is repayable on 21 unequal semiannual instalments. Starting from 1 July 2024, USD SOFR shall be used as an interest rate benchmark instead of USD Libor. **Loans negotiation:** on 20 December 2024, the company succeeded in restructuring the loan to be paid over 21 unequal semiannual instalments where the last payment is due on 20 December 2027. Refer to note 30i								
Group of Commercial Banks (NEXI Covered Lenders) **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **-Promissory Note:** The Company provided each lender with original, signed, undated, and blank promissory notes. **-Mortgage**: The Company completed all commercial and real estate mortgage procedures and registered them at its Commercial Registration. The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. **-Guarantees and Covenants of the Common Terms Agreement (CTA)**:The Company cannot incur or maintain any financial indebtedness, undertake material capital or operating expenditures, incur or maintain any security interest, sell or dispose of any material assets, acquire any company or business, make any loans or guarantees, alter any rights attached to shares or loan capital, enter into any amalgamation or restructuring, engage in non-project-related activities, or amend its memorandum or articles of association without prior consent, except under	2,150,433	1,397,955	226,730	**3,775,118**	4,511,247	-	305,636	**4,816,883**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
		Repayment terms: The loan is repayable on 21 unequal semiannual instalments. Starting from 1 July 2024, USD SOFR shall be used as an interest rate benchmark instead of USD Libor. **Loans negotiation:** in 20 December 2024, the company succeeded in restructuring the loan to be paid over 21 unequal semiannual instalments where the last payment is due on 20 December 2027. Refer to note 30i								
Export – Import Bank of Korea (KEXIM) **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **-Promissory Note:** The Company provided each lender with original, signed, undated, and blank promissory notes. **-Mortgage**: The Company completed all commercial and real estate mortgage procedures and registered them at its Commercial Registration. The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. **-Guarantees and Covenants of the Common Terms Agreement (CTA)**:The Company cannot incur or maintain any financial indebtedness, undertake material capital or operating expenditures, incur or maintain any security interest, sell or dispose of any material assets, acquire any company or business, make any loans or guarantees, alter any rights attached to shares or loan capital, enter into any amalgamation or restructuring, engage in non-project-related activities, or amend its memorandum or articles of association without prior consent, except under **Repayment terms:** The loan is repayable on 21 unequal semiannual instalments. Starting from 1 July 2024, USD SOFR shall be used as an interest rate benchmark instead of USD Libor. **Loans negotiation:** On 20 December 2024, the company succeeded in restructuring the loan to be paid over 21 unequal semiannual instalments where the last payment is due on 20 December 2027. Refer to note 30i	3,823,299	3,165,526	398,651	**7,387,476**	7,769,370	-	635,684	**8,405,054**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
Financial Institutions (KEXIM Initial Guaranteed facility lenders) **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **-Promissory Note:** The Company provided each lender with original, signed, undated, and blank promissory notes. **-Mortgage**: The Company completed all commercial and real estate mortgage procedures and registered them at its Commercial Registration. The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. **-Guarantees and Covenants of the Common Terms Agreement (CTA)**:The Company cannot incur or maintain any financial indebtedness, undertake material capital or operating expenditures, incur or maintain any security interest, sell or dispose of any material assets, acquire any company or business, make any loans or guarantees, alter any rights attached to shares or loan capital, enter into any amalgamation or restructuring, engage in non-project-related activities, or amend its memorandum or articles of association without prior consent, except under **Repayment terms:** The loan is repayable on 21 unequal semiannual instalments. Starting from 1 July 2024, USD SOFR shall be used as an interest rate benchmark instead of USD Libor. **Loans negotiation:** in 20 December 2024, the company succeeded in restructuring the loan to be paid over 21 unequal semiannual instalments where the last payment is due on 20 December 2027. Refer to note 30i	1,058,745	919,024	105,487	**2,083,256**	2,255,624	-	155,307	**2,410,931**
Guarantors of European Investment Bank (EIB) **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **-Promissory Note:** The Company provided each lender with original, signed, undated, and blank promissory notes. **-Mortgage**: The Company completed all commercial and real estate mortgage procedures and registered them at its Commercial Registration. The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. **-Guarantees and Covenants of the Common Terms Agreement (CTA)**:The Company cannot incur or maintain any financial indebtedness, undertake material capital or operating expenditures, incur or maintain any security interest, sell or dispose of any material assets, acquire any company or business, make any loans or guarantees, alter any rights attached to shares or loan capital, enter into any amalgamation or restructuring, engage in non-project-related activities, or amend its memorandum or articles of association without prior consent, except under	2,774,975	2,416,334	283,566	**5,474,875**	5,698,440	-	468,535	**6,166,975**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
		Repayment terms: The loan is repayable on 21 unequal semiannual instalments. Starting from 1 July 2024, USD SOFR shall be used as an interest rate benchmark instead of USD Libor. **Loans negotiation:** in 20 December 2024, the company succeeded in restructuring the loan to be paid over 21 unequal semiannual instalments where the last payment is due on 20 December 2027. Refer to note 30i								
African Development Bank (AFDB) **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **Promissory Note:** The Company provided each lender with original, signed, undated, and blank promissory notes. **Mortgage**: The Company completed all commercial and real estate mortgage procedures and registered them at its Commercial Registration. The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. **Guarantees and Covenants of the Common Terms Agreement (CTA)**:The Company cannot incur or maintain any financial indebtedness, undertake material capital or operating expenditures, incur or maintain any security interest, sell or dispose of any material assets, acquire any company or business, make any loans or guarantees, alter any rights attached to shares or loan capital, enter into any amalgamation or restructuring, engage in non-project-related activities, or amend its memorandum or articles of association without prior consent, except under Starting from 1 July 2024, USD SOFR shall be used as interest rate benchmark instead of USD Libor.	1,233,322	3,582,475	150,313	**4,966,110**	3,278,574	-	912,743	**4,191,317**
GS Engineering & Construction Corp **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** The company shall not make or agree to make dividends or distributions to shareholders, selling or disposing of significant assets, undertaking substantial capital or operating expenditures, creating or maintaining security interests over its assets, and making loans, granting credit, providing guarantees or indemnities, or voluntarily assuming liabilities for others, except under specific conditions outlined in the agreement. **Repayment terms:** the loan to be paid on or before 20 June 2030. refer to note 30i	-	20,875,214	839	**20,876,053**	5,355,837	-	1,500,093	**6,855,930**
MITSUE & Co. Ltd. **Loan currency:** USD	SOFR + margin	**Collaterals and debt covenants:** **Mortgage**: The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans.	-	10,167,760	1,306	**10,169,066**	6,178,600	-	2,540,674	**8,719,274**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
		The company shall not make or agree to make dividends or distributions to shareholders, selling or disposing of significant assets, undertaking substantial capital or operating expenditures, creating or maintaining security interests over its assets, and making loans, granting credit, providing guarantees or indemnities, or voluntarily assuming liabilities for others, except under specific conditions outlined in the agreement. **Repayment terms:** the loan to be paid on or before 20 June 2030. refer to note 30i								
Mitsui NEXI Insurance Premium **Loan currency:** USD	SOFR + margin	**Collaterals:** **Mortgage**: The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. The company shall not make or agree to make dividends or distributions to shareholders, selling or disposing of significant assets, undertaking substantial capital or operating expenditures, creating or maintaining security interests over its assets, and making loans, granting credit, providing guarantees or indemnities, or voluntarily assuming liabilities for others, except under specific conditions outlined in the agreement. **Repayment terms:** the loan to be paid on or before 20 June 2030. refer to note 30i	-	4,750,471	-	**4,750,471**	399,026	-	-	**399,026**
Mitsui -compounded interest **Loan currency:** USD	SOFR + margin	**Collaterals:** **Mortgage**: The shareholders, excluding the Egyptian General Petroleum Corporation, have pledged their ownership shares in the Egyptian Petroleum Company to the lenders as collateral for the senior and subordinated loans. The company shall not make or agree to make dividends or distributions to shareholders, selling or disposing of significant assets, undertaking substantial capital or operating expenditures, creating or maintaining security interests over its assets, and making loans, granting credit, providing guarantees or indemnities, or voluntarily assuming liabilities for others, except under specific conditions outlined in the agreement. **Repayment terms:** the loan to be paid on or before 20 June 2030. refer to note 30i	-	-	-	**-**	235,812	-	-	**235,812**

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
Glass rock company for isolation										
Misr Bank **Loan currency:** USD, Euro & EGP	Libor + margin	**Collaterals:** - First degree mortgage for all property and real estate on the project. - First degree commercial mortgage on all physical and intangible assets. - Deposit all earnings resulting from future sale contracts in favor of the bank. - The company undertakes not to change, pledge, mortgage, sell, or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the bank. - ASEC company for mining (the holding company) undertakes the obligation to pay the company's debt in case of default. **Debt covenants:** - The Financial leverage should not exceed 2.5 in 2018 and 1.2 in 2019, 2020 & 2023. - The Current ratio should not be less than 1 in the years 2017 to 2023. - The Debt service ratio should not be less than 1.2 in the years 2018 to 2023. - The company's sales in foreign currencies should be used to pay instalments. - The company should have 80% of free cash flow that should be used to make mandatory accelerated payment of instalments. - Any payment of intercompany loans, dividends or capital expenditures should not be done before getting written approval from the bank. - The Currency of the loan is USD - ASEC company for mining (the holding company) will transfer the ownership of 15% of the total shares owned by the shareholder in the capital of ASCOM for Carbonate & Chemicals Manufacturing. - The ASEC company for mining (the holding company) and Third Parties in the contract pledge to jointly between them that the shares to be transferred to the bank shall yield not less than 5% of the sales value in the year for a period of five years, otherwise both Parties shall be obligated to pay the bank the full amount of that value or the difference between the value of profits earned and the agreed value of their own resources. - If the shares achieve profits of less than 5% per year, ASCOM and Third Parties are bound by mutual solidarity between them to pay the bank the complementary percentage of the value of the 5% agreed upon and referred to in the previous paragraph. - If the shares do not achieve profits during the year, ASCOM and Third Parties are bound together with each other to pay the Bank the value of the 5% referred to in the previous paragraph.	1,824,676	-	-	**1,824,676**	185,223	1,014,625	-	**1,199,848**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
		Repayment terms: On 22 December 2020, the company restructured its outstanding debts facility with Banque Misr, the key terms of the restructuring agreements are set out below: - The repayment term of the loan was extended for nine years including a 1.5-year grace period. - The interest rate on the loan was reduced from 5 to 2.5 %. - The accrued interest on the third tier (EGP 17.5M on the EGP loan, USD 115 K on the USD loan and EUR 4.9M on the EUR loan) and any additional interest accrued up to the end of this agreement will be waived subject to the company compliance with all loan terms. On December 7, 2024, the company signed a restructuring agreement for its outstanding debts facility with Banque Misr, whereby the two installments due in September and December 2024 were postponed being the last installments due on the company, extending the settlement period for 3 months to be October 6, 2029. Since the terms of the rescheduling agreement are not fundamentally different from the terms of the existing loan, this agreement has been accounted for by recalculating the existing loan in accordance with the new terms. This has resulted in a profit from canceling the old loan in the amount of EGP 1.35 M. Starting from 1 July 2024, USD SOFR shall be used as an interest rate benchmark instead of USD Libor.								
International Company for Refinery Consultation Arab International Bank **Loan currency:** USD	Libor + margin	**Collaterals:** Letter of guarantee from Standard Chartered Bank of Korea Limited with the amount due to Arab International Bank. **Payment terms:** The loan is due on 30 September 2025.	1,557,454	-	-	**1,557,454**	956,553	-		**956,553**
National Company for Refining Consultation * Arab International Bank **Loan currency:** USD	Libor + margin	**Collaterals:** - Pledge of the Company's shares (115 million) in Orient Investments Properties Ltd. In favor of the bank. - Pledge of 80% of National River Port Maritime Company shares. **Loan negotiations:** In the second quarter of 2024, Qalaa and its related companies signed a debt restructuring and settlement agreement with Arab International Bank.	672,779	8,806,253	-	**9,479,032**	4,094,124	-	-	**4,094,124**

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Loan	Interest rate	Collaterals, debt covenants. repayments & loan negotiations	Current	Non-current	Accrued interest	Total 2024	Current	Non - current	Accrued interest	Total 2023
National Development and Trading Company Qatar National Bank QNB **Loan currency:** EGP	corridor + margin	**Collaterals:** Pledge of partial shares of ASEC Cement Co., ASEC Engineering ASENPRO, and ASEC Automation in favour of the bank. **Loan negotiations:** On 21 February 2024, the Company restructured its debt. An advance payment of EGP 40 million was made upon signing the contract. The remaining amount of EGP 89 million is scheduled to be paid in four equal semi-annual instalments, ending on 30 December 2025. The Company has been diligent in meeting its payment obligations on time, with two remaining instillments totalling EGP 44.5 million not yet due.	44,500	421,414	-	**465,914**	383,152	-	-	**383,152**
United Foundries Company Globalcorp for financial services, and E-Bank, E Bank will provide the loan to the company **Loan currency:** EGP	Libor + margin	**Collaterals:** The Company's factory land has been used as collateral for the loan obtained. **Repayment terms:** The repayment date is December 2026. **Debt covenants:** The company is not allowed to distribute any profits during the year and during the duration of the contract until the due loan payments being performed for any year.	7,088	7,086	-	**14,174**	7,091	14,175	-	**21,266**
Trimstone Assets Holdings Ltd. * Arab International Bank **Loan currency:** USD	Libor + margin	**Collaterals:** - First degree pledge over all shares owned by Trimstone in TAQA Arabia. - Pledge of CCP 130,087,445 preferred shares and 4,691,970 ordinary shares in Qalaa for financial investments, with the lender agreeing to unpledged the shares once 60% of the total dues have been settled according to the repayment plan. **Repayment terms:** - In 2Q24, Qalaa and its related companies signed a debt restructuring and settlement agreement with Arab International Bank.	342,829	2,057,973	-	**2,400,802**	329,113	-	-	**329,113**
APM Investments Holding St. James Bank **Loan currency:** USD	SOFR + Margin	**Collaterals:** Pledge of 7.5 M shares of Allied Gold Corp. **Repayment terms:** Refer to note 30 (J)	-	-	-	**-**	-	320,145	-	**320,145**
						91,517,084				**70,771,455**

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

Financial assets and financial liabilities (continued)

1- Arab International Bank loan

A- Qalaa and its related companies entered into a debt restructuring agreement with Arab International Bank effective in the third quarter of year 2024. Under this agreement, loans were restructured and will be repaid in installments totaling USD 184 million starting from 2024 till 2033. A variable interest rate with a SOFR base will be applied semi-annually. As of 31 December 2024, Qalaa paid USD 15 Million under the new restructured agreement. The loan balance in NCRC includes an amount transferred from Qalaa. Until the Group fully complies with the new payment schedules, the agreement specifies that the bank will continue to calculate interest on the total amount at the previous interest rate under the original loan agreement in a separate account. Once the payment schedule is completed under the new terms, USD 44 million along with any accrued interest and excess interest, will be waived by the Bank. The amount of USD 44 million and its associated interest payable are classified as other borrowing payables as per the above detailed schedule.

B- The loan portion on Trimestone includes an amount transferred from Citadel Capital Partners, Qalaa's main shareholder. On 6 July 2023, Qalaa's ordinary general assembly authorized Qalaa's Board of Directors to transfer a debt owed by Citadel Capital Partners Ltd., Qalaa's main shareholder to one of Qalaa's fully owned subsidiaries. This debt owed to Arab International bank and was transferred in the third quarter with an amount of EGP 1,728 billion. Management has classified the amount due from CCP as an equity balance rather than a financial asset. Consequently, this balance is going to be netted off from any future management fees amounting to 10% of the consolidated net profit of the Group attributable to the owners of the parent company, and/ or any other distributions in accordance with the company's articles of association.

2- Local banks loans

Qalaa has entered into a debt settlement agreement with Banque Misr, Banque du Caire, Arab African International Bank, and Al Ahli Bank of Kuwait ("the Egyptian Banks") to settle its debts as follows:

Settlement and waivers	Amount in EGP
Total debt before the settlement agreement	8,791,113
Other interest	253,561
Foreign currency exchange differences	6,348
Settlement through transfer of shares in Taqa Arabia (A)	(3,347,689)
Settlement through land plot in Tibeen area (B)	(600,000)
Compensation for exchange rate and stock price variations (C)	(742,166)
Debt expected waiver in case of compliance with whole contract terms (D)	4,361,167

Financial assets and financial liabilities (continued)

A. Shares in TAQA Arabia: In September 2024, Qalaa transferred 239,120,667 shares (17.68%) in TAQA Arabia to the Egyptian banks. The shares are included as part of the investment in associates (Note 2E) and the balance of the loan was not reduced by the value of the shares due to the following reasons:

- The group has the right to repurchase these shares (call option) during the fifth year after the transfer. The banks retain the right to resell the shares to Qalaa (Put option) during the sixth year. The group did not account for the call or the put option as the shares are considered under the control of Qalaa as illustrated in point 3 below.
- The agreement imposes restrictions on the local banks on selling the transferred shares for five years till the call option period elapses.
- Qalaa will maintain voting rights for the transferred shares in TAQA Arabia S.A.E. until the end of the call option period. In line with EAS 18 "Investment in Associates," reflecting significant influence through voting rights, Qalaa has equity accounted for its 17.68% interest in the Company and has not derecognized the associated liability. If management's judgments change, this could lead to the derecognition of the investment in TAQA Arabia S.A.E. and the associated liability to pay the strike price. Without these amounts on the balance sheet, the option would be treated as a derivative financial instrument at fair value through profit or loss.

As per the agreement, Qalaa transferred the 239,120,667 shares of Taqa Arabia at an agreed price. At the end of the put option period and by the time the shares are settled against the loans, Qalaa is liable to compensate the banks with any differences below the agreed price plus specific return and the actual share prices at the date of settlement.

B. Land Plot in Tibeen Area: Qalaa transferred a registered 60,127 sq.m. land plot overlooking the Nile in the Tibeen area in September 2024 owned by one of the group's wholly owned subsidiaries, valued at EGP 600 million, contingent on obtaining a construction license within six months after meeting the conditions precedent. Until the license is obtained, the bank considers the selling price of the land to be EGP 233.5 million.

The group did not derecognize the land against partial settlement of the loan as the group has the right to replace the land with another asset within 6 months after the condition precedent is met.

C. Compensations for Exchange Rate and Stock Price Variations: These include an amount of EGP 598 million which will be paid over five years in equal instalments till 31 December 2028 and an amount of EGP 296 million as exchange rate compensation payable during the year 2024 and 2025. As of 31 December 2024, Qalaa paid EGP 151.6 million out of the EGP 296 million, which has been paid subsequent to the reporting period.

Financial assets and financial liabilities (continued)

D. **Debt expected waiver in case of compliance with whole contract terms:** The group is entitled to an expected waiver of EGP 4.3 billion and any accrued interest conditioned to compliance with the whole agreement terms and conditions. Until the Group fully complies with the terms of the agreement. The agreement specifies that the bank will continue to calculate interest on the total amount at the previous interest rate under the original loan agreement in a separate account.

As of 31 December 2024, the company did not comply with some of the conditions specified in the agreement. Accordingly, all the loan balance related to the Egyptian banks have been presented as current liabilities.

3- **ERC debts restructuring**: As of December 20, 2024, ERC has successfully finalized its Senior and Subordinated debt Restructuring. As part of the agreement ERC paid a total of EGP 1.69 billion (USD 33.3 million) in fees and default interest related to the debt restructuring process. In addition, as part of its scheduled debt repayment,

ERC made a payment of EGP 11.9 billion (USD 233.6 million) to senior lenders, consisting of EGP 10 billion (USD 197 million) in principal repayment and EGP 1.86 billion (USD 36.6 million) in interest and fees. Furthermore, a total of EGP 2.45 billion (USD 48.1 million) were paid to subordinated lenders as per the restructuring agreement.

Following the completion of this restructuring and the above-mentioned repayment, the senior debt as of 31 December 2024 stands at EGP 16.5 billion (USD 325 million), down from an initial amount of EGP 119.47 billion (USD 2.35 billion), which is expected to be fully repaid by December 2025. The subordinated debt currently stands at EGP 38.34 billion (USD 754 million), with an expected repayment completion by 2030.

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

Financial assets and financial liabilities (continued)

Loans from related parties

Loan	Relationship	Interest rate	Security/Collateral	Current	Non-current	Total 2024	Current	Non-current	Total 2023
National Development and Trading Company									
Financial Holding International[1]	Shareholder in subsidiary	Fixed		-	-	-	5,951,878	-	**5,951,878**
United Foundries									
Financial Holding International[1]	Shareholder in subsidiary	Fixed		-	-	-	283,120	-	**283,120**
Orient									
QPI Egypt & QPI Limited[2]	Shareholder in subsidiary	Fixed		-	4,372,705	**4,372,705**	2,298,980	-	**2,298,980**
Citadel Capital for International Investments LTD									
Olayan[3]	Shareholder in subsidiary	Fixed	- The guarantees are represented in two promissory notes each amounting to USD 20M USD.	457,549	560,307	**1,017,856**	813,015	-	**813,015**
Put option[3]				-	-	-	169,912	-	**169,912**
Qalaa for financial investments									
QHRI[4]	Related party	-		9,145,914	-	**9,145,914**	-	-	**-**
CCP[5]	Parent	-		3,093,645	-	**3,093,645**			
Olayan[6]	Shareholder in subsidiary	Fixed	- A building considered as a collateral.	-	640,400	**640,400**	-	-	**-**
						18,270,520			**9,516,905**

1) On 31 March 2024, FHI discharged the loans owned by National Development and Trade Company and United Company for Foundries. Refer to note 30(g)

2) In accordance with ERC loan restructuring agreement signed with the senior lenders and approved by the shareholders (note 5H (i)(3)), ERC cannot pay any instalments of QPI's loan until the senior loan are fully settled. Accordingly, the shareholder's loan has been reclassified to non-current liabilities.

3) On December 20, 2024, the group finalized a debt restructuring deal of USD 20 million, which includes a put option exercise notice of USD 5.5 million over a portion of one of Qalaa's subsidiary's equity. The debt will be repaid in 24 equal monthly instalments at a specified interest rate. Additionally, the lender agreed to waive any principal amount exceeding USD 18 million, provided that the obligations under the Finance Documents are met.

Financial assets and financial liabilities (continued)

4) As of 30 June 2024, an amount USD 240,752,323 has been reclassified from bank loans to loans from related parties as Qalaa shareholders through Qalaa Holding Restructuring Ltd. (QHRI) purchased the external debt owed by Qalaa to certain banks and financial institutions participating in the syndicated loan agreement. Refer to note (30)(F) for more details.

5) On October 30, 2024, an assignment agreement was concluded between QHRI and Citadel Capital Partners Company (CCP), the main shareholder, for USD 60,852,032. This amount represents CCP's share of the debt owed by Qalaa to QHRI. This agreement is part of the procedures to increase Qalaa's issued capital, allowing CCP to subscribe to its shares (whether in preferred or common shares) using the credit balance. The assignment is non-transferable and cannot be disposed of, pledged, traded, or endorsed until payment is made.

CCP subscribed to the first phase of the debt purchase subscription with its full share of 23.487%, amounting to USD 6,623,334. Additionally, CCP subscribed to the second phase of the debt purchase agreement with EGP 25,256,730 (equivalent to USD 504,905), bringing the total amount contributed by CCP to USD 7,128,239, which constitutes 25.277%. Consequently, the main shareholder’s assignment was completed with USD 60,852,032 out of the total USD 240,752,323. If the increase in Qalaa Company's issued capital is not completed, Qalaa Company will be obligated to pay USD 7,128,239 to Citadel Capital Partners, and USD 21,576,666 to QHRI to enable it to refund the value of the debt notes to the beneficiaries. Furthermore, QHRI and Citadel Capital Partners will agree to waive the remaining debt owed by Qalaa. Qalaa has made significant progress in the capital increase. Refer to 31 C for more details.

6) On 22 May 2024, Qalaa and one of its fully owned subsidiaries signed an agreement with Olayan to restructure an existing USD 12 million loan by which Qalaa transferred a building to partially settle an existing loan owed by the subsidiary. Olayan assigned its rights in a USD 12 million loan to one of his related parties. Qalaa will pay a monthly interest rate for three years in the form of lease payments. Qalaa has a call option to repurchase the building within three years for USD 12 million plus a fixed annual interest rate. Management assessed that this transaction does not qualify as a sale and is recognized as a collateralized borrowing, as the company retains control over the transferred asset. In December 2024, an agreement has been signed regarding the remaining debt of Olayan.

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

Financial assets and financial liabilities (continued)

5(i) Borrowings from financial leasing entities

	2024	2023
Borrowing from financial leasing entities (current portion)	372,315	77,885
Borrowing from financial leasing entities (non-current portion)	490,059	401,366
	862,374	**479,251**

A) One of the Group's subsidiaries signed a financing contract. The contractual value of the contract amounted to EGP 321.9M is divided into two tranches. There are no covenants attached to this borrowing.

The total value of the first tranche amounted to EGP 208.7M with interest rate 3% above LIBOR to be paid in quarterly instalments until 20 March 2028.

The interest charged to the consolidated statement of profit or loss during the year ended 31 December 2024 amounted to EGP 178M.

B) One of the group's subsidiaries signed a financing contract dated 30 April 2024. The contractual value of the contract amounted to EGP 402.7 million, with an interest rate based on the lending rate announced by the Central Bank of Egypt to be paid on a monthly instalment over two years.

The interest charged to the consolidated statement of profit or loss during the year ended 31 December 2024 amounted to EGP 63.3M.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 6(a)(iv).

The amount that may become payable under the option if exercised is initially recognised at the present value of the redemption amount and accounted for within the other credit balances with a corresponding charge directly to equity. The amounts charged to equity are recognised separately as written put options over equity reserve in the equity.

The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

(ii) Compliance with loan covenants

Some subsidiaries within the Group did not comply with all of the financial covenants of its borrowing facilities during the year ended 31 December 2024 and 31 December 2023 reporting period, see note 5(g)(h) for details.

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

Financial assets and financial liabilities (continued)

(iii) Fair value

The fair values are not materially different from their carrying amounts since the majority of borrowings is at variable rates and the interest payable on those borrowings is either close to current market rates or close to the borrowings which have a short-term nature.

(iv) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 26(a)(iii).

5(j) 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 recognised and measured at fair value in the financial statements. To provide an indication of 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 categorised as follows.

Recurring fair value measurements At 31 December 2024	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial assets at FVOCI					
Unlisted equity instruments	5(b)	-	19,422	79,400	**98,822**
Financial assets at FVPL					
Listed equity instruments	5(c)	1,032,748	-	-	**1,032,748**
Derivatives					
Hedging derivatives – interest rate swaps	5(f)	-	-	-	**-**
Written call option agreement (NSPO)	5(f)	-	-	1,309,428	**1,309,428**
Total financial assets		**1,032,748**	**19,422**	**1,388,828**	**2,440,998**
Financial liabilities					
Written call option agreement (CCII)	5(f)	-	-	-	**-**
Trading derivatives	5(g)	-	1,571,403	433,120	**2,004,523**
Total financial liabilities		-	**1,571,403**	**433,120**	**2,004,523**

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

Financial assets and financial liabilities (continued)

Recurring fair value measurements At 31 December 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVOCI					
Unlisted equity instruments	5(b)	-	7,069	50,847	**57,916**
Financial assets at FVPL					
Listed equity instruments	5(c)	946,275	-	-	**946,275**
Other receivables at FVPL		919,018	-	-	**919,018**
Derivatives					
Hedging derivatives – interest rate swaps	5(f)	-	-	129,446	**129,446**
Written call option agreement (NSPO)	5(f)	-	-	1,926,709	**1,926,709**
Total financial assets		**1,865,293**	**7,069**	**2,107,002**	**3,979,364**
Financial liabilities					
Written call option agreement (CCII)	5(f)	-	-	2,322	**2,322**
Trading derivatives	5(g)	-	869,867	-	**869,867**
Total financial liabilities		**-**	**869,867**	**2,322**	**872,189**

There were no changes in the valuation technique for level 3 recurring fair value measurements during the year ended 31 December 2024 and 31 December 2023.

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 that maximise 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.

Level 3: If one or more of the significant inputs are 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 the published net asset value of the fund.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

Financial assets and financial liabilities (continued)

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 years ended 31 December 2024 and 31 December 2023:

Assets / (liabilities)	Hedging derivatives – interest rate swaps (ERC)	Hedging derivatives – interest rate swaps (TAQA)	Written call option agreement (CCII)	Unlisted equity instruments (Ostool)	Written call option agreement (NSPO)	Debt instruments	Total
Opening balance at 1 January 2023	**313,631**	**25,628**	**(2,219)**	-	-	-	**337,040**
Transfer from investment in associates (note 2(f))	-	-	-	49,979	-	-	**49,979**
Amount recognized in equity	-	-	-	-	1,163,988	-	**1,163,988**
Gains recognised in consolidated profit and loss	(262,616)	-	(103)	-	762,721	-	**500,002**
Gains recognised through other comprehensive income	-	-	-	2,760	-	-	**2,760**
Foreign currency translation	78,431	-	-	(1,892)	-	-	**76,539**
Disposal of subsidiary (recycled to profit or loss)	-	(25,628)	-	-	-	-	**(25,628)**
Closing balance at 31 December 2023	**129,446**	-	**(2,322)**	**50,847**	**1,926,709**	-	**2,104,680**
Transfer from investment in associates (note 2(f))							
Amount recognized in equity							
Losses recognised through consolidated profit and loss							
Gains recognised through other comprehensive income	-	-	-	28,553			**28,553**
Foreign currency translation							
Disposal of subsidiary (recycled to profit or loss)							
Recognition of debt instruments	-	-	-	-	-	(386,356)	**(386,356)**
Losses recognised through consolidated profit and loss	-	-	-	-	(617,281)	(46,764)	**(664,045)**
Hedging derivatives matured	(129,446)	-	-	-	-	-	**(129,446)**
Dercognition of the call option	-	-	2,322	-	-	-	**2,322**
Closing balance at 31 December 2024	-	-	-	**79,400**	**1,309,428**	**(433,120)**	**955,708**

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

Financial assets and financial liabilities (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 31 December 2024	Fair value at 31 December 2023	Un-observable inputs *	Range of Inputs 31 December 2024	Range of Inputs 31 December 2023	Valuation technique 31 December 2024	Valuation technique 31 December 2023	Inputs used 31 December 2024	Inputs used 31 December 2023	sensitivity analysis
Hedging derivatives – Interest rate swaps (ERC)	-	129,446	Credit default rate	-	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 0.
Written call option agreement (NSPO)	1,309,428	1,926,709	Probability of default rate	22.08%	21.89%	Option valuation model Monte Carlo	Option valuation model Monte Carlo	Risk free interest rate & volatility	Risk free interest rate & volatility	If an observable input changed by 10% this would result in change in fair value by EGP 171.8M.
Unlisted equity instruments (Ostool)	79,400	50,847	Credit default rate	27.3%	21.68%	Discounted Cash flows	Discounted Cash flows	Risk free interest rate & volatility	Risk free interest rate & volatility	If an observable input changed by 10% this would result in change in fair value by EGP778K.
Written call option agreement	-	(2,322)	Probability of default rate	-	1.86%	Option valuation model Black Scholes	Option valuation model Black Scholes	Risk free interest rate & volatility	Risk free interest rate & volatility	-

* 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 year ended 31 December 2024 and 31 December 2023.

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

Financial assets and financial liabilities (continued)

v) Valuation processes

The finance department of the 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.

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 each subsidiary's 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 analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

	2024		2023	
	Level 3 fair value	Carrying value	Level 3 fair value	Carrying value
Assets				
Financial assets at amortized cost				
Trade and other receivables	13,843,692	**13,843,692**	14,877,362	**14,877,362**
Due from related parties	440,513	**440,513**	776,036	**776,036**
Restricted cash	11,215,019	**11,215,019**	6,927,292	**6,927,292**
Cash and cash equivalents	2,698,056	**2,698,056**	1,975,005	**1,975,005**
Total assets	**28,197,280**	**28,197,280**	**24,555,695**	**24,555,695**

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

Financial assets and financial liabilities (continued)

	2024		2023	
	Level 3 fair value	Carrying value	Level 3 fair value	Carrying value
Liabilities				
Borrowings				
Loans and borrowings	111,372,280	**111,372,280**	81,456,956	**81,456,956**
Other financial liabilities				
Borrowings from financial leasing entities	862,374	**862,374**	479,251	**479,251**
Trade and other payables	16,193,732	**16,193,732**	12,154,431	**12,154,431**
Due to related parties	3,396,932	**3,396,932**	2,252,603	**2,252,603**
Total liabilities	**131,825,318**	**131,825,318**	**96,343,241**	**96,343,241**

The fair values in 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 amortised 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.

Liabilities carried at amortised cost

Fair values of other liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities was 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, after being 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, EAS 47 "Financial Instruments" classifies financial assets and liabilities into the following categories: (a) financial assets at FVTPL; (b) financial assets at FVOCI, (c) debt instruments at FVOCI, (d) equity instruments at FVOCI (e) financial assets or liabilities at AC. Financial assets at FVTPL have two sub-categories: (i) Financial assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition. In addition, finance lease receivables form a separate category.

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

6. Non-financial assets and liabilities

6(a) Fixed assets

Non-current	Freehold land	Freehold buildings	Furniture, fittings and equipment	Machinery, barges and vehicles	Projects under construction	Total
At 1 January 2023						
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	**2,430,451**	**9,466,569**	**1,071,106**	**80,500,417**	**1,480,955**	**94,949,498**
Year ended 31 December 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	88,232	84,380	548,099	1,750,946	**2,535,098**
Disposals	-	(3,739)	(10,088)	(259,729)	-	**(273,556)**
Disposal of subsidiary – cost note 3 (a)	(12,810)	(3,205,305)	(105,743)	(2,068,091)	(1,204,081)	**(6,596,030)**
Transfers to intangible asset – cost	-		-	-	(870)	**(870)**
Transfers from projects under construction	-	280,943	38,438	796,794	(1,116,175)	**-**
Transfers to assets held for sale – cost note 3 (c)	(88,431)	(364,695)	(209,108)	(1,914,897)	(33,916)	**(2,611,047)**
Foreign currency translation difference – cost	333,043	2,367,275	361,920	23,476,936	108,987	**26,648,161**
Effect of hyperinflation – cost	7,565	174,216	12,877	2,368,119	-	**2,562,777**
Depreciation expense	(734)	(640,481)	(225,858)	(7,545,227)	-	**(8,412,300)**
Accumulated depreciation of disposals	-	1,749	9,319	257,742	-	**268,810**
Disposal of subsidiary - accumulated depreciation note 3 (a)	2,088	586,831	67,667	622,425	-	**1,279,011**
Transfer to Assets Held for Sale - accumulated depreciation note 3 (a)	-	103,423	116,768	843,973	-	**1,064,164**
Foreign currency translation difference – accumulated depreciation	(455)	(364,666)	(134,490)	(4,605,320)	-	**(5,104,931)**
Effect of hyper-inflation – accumulated depreciation	(1,039)	(82,309)	(7,841)	(710,342)	-	**(801,531)**
Impairment – net	-	-	-	-	(25)	**(25)**
Net book value at 31 December 2023	**2,733,119**	**8,408,043**	**1,069,347**	**92,310,899**	**985,821**	**105,507,229**
At 31 December 2023						
Cost	2,738,955	11,325,622	2,177,847	128,753,959	1,418,688	146,415,071
Accumulated depreciation and impairment	(5,836)	(2,917,579)	(1,108,500)	(36,443,060)	(432,867)	(40,907,842)
Net book amount	**2,733,119**	**8,408,043**	**1,069,347**	**92,310,899**	**985,821**	**105,507,229**
Year ended 31 December 2024						
Opening net book amount	**2,733,119**	**8,408,043**	**1,069,347**	**92,310,899**	**985,821**	**105,507,229**
Additions	9,211	43,505	84,686	2,311,809	1,109,196	**3,558,407**
Disposals	(1,263)	(1,066)	(7,108)	(5,101)	(15,431)	**(29,969)**
Transfers from projects under construction	-	67,600	73,062	271,349	(412,011)	**-**
Foreign currency translation difference – cost	1,001,971	5,437,754	1,039,111	65,444,855	542,212	**73,465,903**
Effect of hyperinflation – cost	58,659	1,430,767	133,467	19,006,792	-	**20,629,685**
Depreciation expense	(1,510)	(765,875)	(215,812)	(11,946,979)	-	**(12,930,176)**
Accumulated depreciation of disposals	-	412	6,420	4,505	-	**11,337**
Foreign currency translation difference – accumulated depreciation	5,134	(694,234)	(445,709)	(14,107,119)	(12,376)	**(15,254,304)**
Effect of hyper-inflation – accumulated depreciation	(14,562)	(1,137,027)	(117,130)	(10,635,754)	-	**(11,904,473)**
Impairment – net	-	-	-		3,335	**3,335**
Net book value at 31 December 2024	**3,790,759**	**12,789,879**	**1,620,334**	**142,655,256**	**2,200,746**	**163,056,974**
At 31 December 2024						
Cost	3,807,533	18,304,182	3,501,065	215,783,663	2,642,654	**244,039,097**
Accumulated depreciation and impairment	(16,774)	(5,514,303)	(1,880,731)	(73,128,407)	(441,908)	**(80,982,123)**
Net book value at 31 December 2024	**3,790,759**	**12,789,879**	**1,620,334**	**142,655,256**	**2,200,746**	**163,056,974**

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

Non-financial assets and liabilities (continued)

(i) Depreciation, method used and useful lives

Depreciation expense is allocated in the consolidated statement of profit or loss as follows:

	2024	**2023**
Cost of revenue	11,993,041	7,438,608
General and administration expenses	937,135	605,604
Discontinued operations (note 3(b))	-	368,088
	12,930,176	**8,412,300**

The straight-line method is used to allocate the depreciation of fixed assets consistently to their residual values over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life. Below are the estimated useful lives of each type of the assets:

Buildings and constructions	5-50 years
Leasehold improvements	3-10 years
Machinery, equipment and tools	4-33 years
Furniture and office equipment	4-16 years
Computers	2-10 years
Barges	5-20 years
Vehicles	3-20 years

(ii) Proceeds from sale of fixed assets

Proceeds from sale of fixed assets in consolidated cash flows statement as follows:

	2024	**2023**
Net book value for disposal assets	**18,632**	**4,746**
Loss on disposal of fixed assets (note 12(b))	(13,258)	(1,165)
Proceeds from sale of fixed assets	**5,374**	**3,581**

(iii) Changes in estimates

There were no material changes in the depreciation method, residual values or useful lives for any of the categories of fixed assets during the current year or prior year.

The subsidiary Al-Takamol Sudan is operating in a hyperinflationary economy from 1 January 2018 onwards. Hyperinflation accounting resulted in the write-up of non-monetary assets that resulted an increase in the carrying value of these operations. The carrying amount is lower than its recoverable amount.

(iv) Non-current assets pledged as security

Borrowings (note 5(h)) are secured by various categories of fixed assets with the following carrying amounts:

	Carrying amount of fixed assets
Subsidiaries:	
Egyptian Refinery Company "ERC" (Refinery facility)	145,794
Al-Takamol for Cement Ltd. (A subsidiary of National Company for Development and Trading) (Land, machinery & equipment)	4,699
Asec for Mining "ASCOM" (Freehold buildings, machinery & equipment)	2,212
United Company for Foundries (Land)	72,883

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

Non-financial assets and liabilities (continued)

(v) Projects under construction

Balance of projects under construction comprises of the following:

	2024	2023
Energy sector	1,393,654	739,334
Agriculture and food sector	240,061	85,763
Transportation and logistics sector	68,352	70,826
Cement sector	102,060	68,302
Mining sector	376,411	18,549
Financial services sector	4,909	3,047
Others	15,299	-
Total	**2,200,746**	**985,821**

There was no capitalized interest on projects under construction for the year ended 31 December 2024 and 31 December 2023.

(vi) Critical accounting estimates and assumption

Useful life of fixed assets

a) Property, plant and equipment owned by ERC

The property, plant and equipment owned by ERC have lives that vary from 3 to 30 years. To ensure the use of reliable estimates, management has benchmarked the useful lives of its owned assets with estimates made by other entities and those estimates are developed internally by its technical resources. Management - in line with the requirements of Egyptian Accounting standards - reviews the useful lives of property, plant and equipment regularly to ensure consistency with its original estimates, or otherwise, the management revises the remainder of useful lives as appropriate.

b) Other subsidiaries useful life

Useful lives of property, plant and equipment. The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Fixed assets have useful lives ranging between 2 years to 50 years. Management annually assesses the remaining useful lives in accordance with the current technical conditions of the assets and the estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance program; and (c) the technical or commercial obsolescence arising from changes in market conditions. Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation for the year ended 31 December 2024 would be changed by EGP 1.3B (2023: change by EGP 841.2M).

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Non-financial assets and liabilities (continued)

6(b) Leases

1. Right of use assets

Non-current	Land	Buildings	Electricity supply contract	Machinery	Vehicles	Total
Year ended 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)**
Opening net book amount	**832,797**	**676,568**	**295,634**	**64,229**	**27,773**	**1,897,001**
Additions of the year	-	101,181	-	-	2,621	**103,802**
Disposals	-	(198)	-	-	(724)	**(922)**
Disposal of subsidiary – cost	-	(941,153)	-	-	-	**(941,153)**
Foreign currency translation difference – cost	221,951	36,329	93,674	(10,835)	1,305	**342,424**
Amortization charged during the year	(62,497)	(67,540)	(35,433)	(9,313)	(15,497)	**(190,280)**
Accumulated amortization of disposals	-	107	-	-	453	**560**
Disposal of subsidiary – accumulated amortization	-	205,613	-	-	-	**205,613**
Foreign currency translation difference – accumulated amortization	(34,728)	(2,100)	(19,668)	10,811	(1,125)	**(46,810)**
Net book value at 31 December 2023	**957,523**	**8,807**	**334,207**	**54,892**	**14,806**	**1,370,235**
At 31 December 2023						
Cost	1,209,970	46,174	467,418	81,032	47,885	**1,852,479**
Accumulated amortization and impairment	(252,447)	(37,367)	(133,211)	(26,140)	(33,079)	**(482,244)**
Net book amount	**957,523**	**8,807**	**334,207**	**54,892**	**14,806**	**1,370,235**
Year ended 31 December 2024						
Opening net book amount	**957,523**	**8,807**	**334,207**	**54,892**	**14,806**	**1,370,235**
Additions of the year	209,463	37,413	-	104,657	23,299	**374,832**
Disposals	-	(1,797)	-	-	-	**(1,797)**
Foreign currency translation difference – cost	725,138	7,818	301,785	(3,758)	6,035	**1,037,018**
Amortization charged during the year	(111,224)	(18,648)	(55,991)	(9,823)	(22,452)	**(218,138)**
Accumulated amortization of disposals	-	797	-	-	-	**797**
Foreign currency translation difference – accumulated amortization	(152,923)	(5,179)	(88,472)	5,942	(3,820)	**(244,452)**
Net book value at 31 December 2024	**1,627,977**	**29,211**	**491,529**	**151,910**	**17,868**	**2,318,495**
At 31 December 2024						
Cost	2,144,571	89,608	769,203	181,931	77,219	**3,262,532**
Accumulated amortization and impairment	(516,594)	(60,397)	(277,674)	(30,021)	(59,351)	**(944,037)**
Net book amount	**1,627,977**	**29,211**	**491,529**	**151,910**	**17,868**	**2,318,495**

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

Non-financial assets and liabilities (continued)

2. Lease liabilities

	2024	2023
Current	293,689	194,784
Non-current	930,933	736,182
	1,224,622	**930,966**

Lease liabilities are effectively secured as the rights to the leased assets recognised in the consolidated financial statements revert to the lessor in the event of default.

(i) Amounts recognized in the statement of profit or loss:

The consolidated statement of profit or loss shows the following amounts relating to lease liabilities:

	2024	2023
Expense related to short term and low value leases (note 13)	428,200	257,116
Interest expense (note 14)	431,535	118,744
Total cash outflow for leases	**859,735**	**375,860**

(ii) 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 products and EGPC would off-take all the end products produced from the complex except for coke and Sulphur.

In line with the requirements of 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.

Although EGPC obtains substantially all the economic benefit from the hydro-cracking complex, the product is purchased at market price, this indicator alone is not sufficient in isolation to conclude EGPC controls 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 the 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 gives it the ability to influence the economic benefits derived from the use of the asset throughout the period of use.

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

Non-financial assets and liabilities (continued)

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.

6(c) Intangible assets

	Computer software	Exploration license and extraction	Plant license	Trademark	Customer contracts	Other licenses	Total
<u>The year ended 31 December 2024</u>							
Net book value at 1 January 2024	**223**	**2,147**	**482,719**	**14,955**	**-**	**-**	**500,044**
Additions	-	5,422	-	-	-	-	**5,422**
Foreign currency translation differences – cost	1,660		371,027				**372,687**
Amortization during the year	(223)	(4,398)	(36,232)	-	-	-	**(40,853)**
Impairment	-	(25)	-	-	-	-	**(25)**
Foreign currency translation differences – accumulated amortization	(1,660)	-	(60,962)	-	-	-	**(62,622)**
Net book value	-	3,146	756,552	14,955	-	-	**774,653**
<u>**31 December 2024**</u>							
Cost	**34,204**	**52,044**	**945,691**	**261,233**	**-**	**5,101**	**1,298,273**
Accumulated amortization	(34,142)	(16,595)	(189,139)	-	-	-	**(239,876)**
Accumulated impairment	(62)	(32,303)	-	(246,278)	-	(5,101)	**(283,744)**
Net carrying value	-	3,146	756,552	14,955	-	-	**774,653**

	Computer software	Exploration license and extraction	Plant license	Trademark	Customer contracts	Other licenses	Total
<u>The year ended 31 December 2023</u>							
Net book value at 1 January 2023	**28,507**	**1,949**	**404,357**	**123,234**	**108,799**	**-**	**666,846**
Additions	5,884	-	-	-	-	-	**5,884**
Transfer from PUC – cost	870	-	-	-	-	-	**870**
Disposal of subsidiary – cost	(96,244)	-	-	(108,279)	(461,637)	-	**(666,160)**
Foreign currency translation differences – cost	14,287	2,549	115,168	-	-	-	**132,004**
Amortization during the year	(18,874)	(2,351)	(22,928)	-	(20,267)	-	**(64,420)**
Disposal of subsidiary – accumulated amortization	72,450	-	-	-	373,105	-	**445,555**
Foreign currency translation differences – accumulated amortization	(6,657)	-	(13,878)	-	-	-	**(20,535)**
Net book value	**223**	**2,147**	**482,719**	**14,955**	**-**	**-**	**500,044**
<u>**31 December 2023**</u>							
Cost	32,544	46,622	574,664	261,233	-	5,101	**920,164**
Accumulated amortization	(32,259)	(12,197)	(91,945)	-	-	-	**(136,401)**
Accumulated impairment	(62)	(32,278)	-	(246,278)	-	(5,101)	**(283,719)**
Net carrying value	**223**	**2,147**	**482,719**	**14,955**	**-**	**-**	**500,044**

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

Non-financial assets and liabilities (continued)

(i) Amortization, method used and useful lives

Amortization expense is allocated in the consolidated statement of profit or loss as follows:

	2024	2023
Cost of revenue	36,455	30,298
General and administration expenses	4,398	2,351
Discontinued operations (note 3(b))	-	31,771
	40,853	**64,420**

The straight-line method is used to allocate the amortization of intangible assets consistently over their estimated useful lives, except for trademarks which has indefinite lives. Below are the estimated useful lives of each type of the assets' groups:

Licences	10- 25 years
Customer contracts	4-18 years
Computer software	10 years

The Group's management amortised intangible assets related to new technology provided by one of the Korean companies using the straight-line basis over 5 – 10 years which was assumed based on the technical experience of the Group's management and the future technical utilisation of such technology or the life of the contract whichever is shorter. Estimates and assumptions of the useful lives of intangible assets- technical information are reviewed periodically in the event of any changes or adjustment to useful lives and the residual value. Such adjustment, if any, will be applied on the future periods.

(ii) Intangible assets with definite useful life

- Plant licenses acquired are for the use of each of the processes in the corresponding licensed unit to use technical information for this purpose, to use in carrying out each of the processes in the corresponding licensed unit any apparatus, catalysts, solid sorbents or adsorbents therefore, and to export to, sell or use in any country the products of the processes produced in the corresponding licensed unit. Plant licenses acquired are recognised at fair value at the acquisition date. They have a definite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. The Group management has assessed the existing Plant licenses for impairment and no indication of impairment exists. The Group amortises plant license using the straight-line method over 25 years.

- Trademark amounted to EGP 14,955 as a result of the acquisition of Falcon for Agricultural Investments Ltd. which owns the trademark of Dina Farms CGU which produces pasteurized fresh milk and sells dairy produce locally and internationally. These rights have no definite useful life.

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

Non-financial assets and liabilities (continued)

6(d) Goodwill

	Sector	Balance at 1 January 2024	Balance at 31 December 2024
Falcon for Agricultural Investments Ltd. Group-BVI– Dina Farms	Agriculture and Food Sector	205,570	205,570
Balance		**205,570**	**205,570**

	Sector	Balance at 1 January 2024	Impairment	Balance at 31 December 2024
Falcon for Agricultural Investments Ltd. Group-BVI – Dina Farms	Agriculture and Food Sector	205,570	-	**205,570**
Balance		**205,570**	-	**205,570**

Impairment of non-financial assets

The Group tests the CGU based on the recoverable amount of cash-generating unit. The recoverable amount is the higher of fair value (less cost to sell) and value in use (VIU). However, in line with Egyptian Accounting Standard 31 FVLCD is only determined where VIU would result in an impairment. For the Company's sole CGU, the recoverable amount was determined by measuring their VIU.

The recoverable amount is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which covers a period of five years maximum.

Management determines the specific assumptions of cash flow forecasts based on past experience and expectations of the market. Group management determines assumptions related to cash flow forecasting based on sales growth, operating costs and estimated profits.

Falcon - Dina Farms

Included within the Falcon CGU for Dina Farms is goodwill. The Group tests the Goodwill impairment annually based on the recoverable amount of cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of five years maximum. Management determines the specific assumptions of cash flow forecasts based on past experience and expectations of the market. Group management determines assumptions related to cash flow forecasting based on sales growth, operating costs and estimated profits. Taking into consideration capital expenditures for future renewable plans.

Goodwill is allocated to cash-generating units (CGUs, which represent the lowest level within the Group at which the goodwill is monitored by management which is Falcon for agriculture investments biological assets).

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering five years. Cash flows beyond the five years are extrapolated using the estimated growth rate stated below. The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

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

Non-financial assets and liabilities (continued)

Group management has considered and assessed reasonably possible changes in any of the key assumptions and no instances were identified that could cause the carrying amount to exceed the recoverable amount and could result in an impairment of any goodwill.

Assumptions used by the Group when testing the impairment of Dina Farms trademark as at 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
Average gross margin	36.2%	36.3%
Sales growth rate	55.1%	50.4%
Pre-tax discount rate	26.6%	23.93%
Growth rate beyond five years	10%	10%

Assumption	Approach used to determine the values
Growth rate	This is represented in the weighted average of growth rate used for forecasting the cash flows of the years following the financial budget period. Growth rates correspond with the reports of the industry where the CGU is adopted.
Profit margin	Estimations are based on the historical performance and management's expectation of the future.
Discount rate before tax	This rate reflects the risks related to the CGU and the industry where these units are adopted.

Sensitivity of recoverable amounts

Group management has considered and assessed reasonably possible changes in any of the key assumptions and no instances were identified that could cause the carrying amount to exceed the recoverable amount and could result in an impairment for any intangible assets allocated to Dina Farms CGUs.

The growth rate in the forecast period has been estimated to be 50.4%, a reduction of this growth rate by 1% does not result in an impairment and in management’s judgement/assessment, it’s not reasonable that there will be a change of more than 1%.

The discount rate in the forecast period has been estimated to be 23.93%, an increase of this discount rate by 4% does not result in an impairment and in management’s judgment/assessment, it’s not reasonable that there will be a change of more than 4%.

The average of gross profit in the forecast period has been estimated to be 36.3%, a reduction of this average gross margin by 3% does not result in an impairment and in management’s judgement / assessment, it’s not reasonable that there will be a change of more than 3%.

Impairment charge

During the year ended 31 December 2024, no impairment losses were recognized in the goodwill related to Dina for Agriculture Investments.

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

Non-financial assets and liabilities (continued)

6(e) Biological assets

	2024	2023
Non-current		
Dry and dairy cows	707,410	393,591
Pregnant heifers	132,388	118,444
Fruitful fruit gardens and orchards *	-	-
Fruitless fruit gardens and orchards *	-	-
	839,798	**512,035**
Current		
Calfs	230,879	37,195
Accumulated impairment loss	-	-
Net	**230,879**	**37,195**
Total	**1,070,677**	**549,230**

Biological assets are accounted for in accordance with the Group policy disclosed in note 28(f) and is measured at fair value less cost to sell.

* The scope of the Egyptian Accounting Standard (35) "Agriculture" has been amended, where fruit-bearing plants related to agricultural activity have been excluded from the scope of the agriculture standard to fall under Egyptian Accounting Standard (10) "Fixed Assets." However, this standard applies to the product that grows on fruit-bearing plants.

Fruit orchards and vineyards are classified as fixed assets. However, crops that grow on trees are classified as biological assets until harvest.

At harvest, fruit is evaluated at fair value minus the selling cost. Changes in the fair value of livestock are included in the profit or loss statement.

Costs such as feed, labor, maintenance, and veterinary services are included as expenses when incurred. The cost of purchasing livestock, along with transportation costs, is capitalized as part of biological assets.

(i) Measuring biological assets at fair value:

Cattles are measured at fair value less cost to sell on the reporting date, based on market prices for similar age, breeds and genetics. The fair value of growing fruit gardens and orchards is determined using the discounted cash flow model based on the expected fruits yield by plantation size, and the market price for fruits after allowing for harvesting cost.

Cattles, dairy milk and growing fruit gardens and orchards fall under level 2 of the fair value hierarchy.

Significant estimates and judgement

Estimates and judgements in determining the fair value of cows relate to market prices, average weight and quality of animals, and mortality rates.

The cows grow at different rates and there can be a considerable spread in the quality and weight of animals that affects the price achieved. An average weight is assumed for the slaughter sheep livestock that are not yet at marketable weight.

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

Non-financial assets and liabilities (continued)

(ii) Valuation process

The fair value of biological assets (herd) is measured through the observable market of the same breed (Holstein) in the United States of America and all other costs necessary incurred by the company to bring the assets to its location. Price quotations are obtained through the company's supply chain department.

(iii) Reconciliation of biological assets carrying amount are as follows:

	2024	2023
Balance as at 1 January	512,035	475,754
Additions	310,865	184,997
Gains resulted from the change in fair value less cost to sell	69,346	67,795
Decrease due to sales	(114,647)	(223,755)
Foreign currency translation	62,199	7,244
Balance	**839,798**	**512,035**

(iv) Financial risk strategy

The Group prices exposure for financial risks resulted from prices changes of dairy cattle and the Group did not expect a decrease in dairy Cattles prices in the future, wherefore the Group did not have financial derivatives or contracts. Management reviews the price lists of dairy cattle consistency and takes into consideration the effective risk management when needed. See note 26(a)(ii) for price risk management.

6(f) Deferred tax balances

	2024		2023	
	Asset	Liabilities	Asset	Liabilities
Provisions	(84,162)	-	(98,225)	-
Fixed assets**		19,611,137	(633)	11,266,776
Hedge Reserve – Swap contracts	-	-	-	29,125
Carried forward losses*	(7,284,900)	-	(5,211,747)	-
Others	-	20,050	(108,884)	12,383
Total	**(7,369,062)**	**19,631,187**	**(5,419,489)**	**11,308,284**
Net deferred tax liabilities		**12,262,125**		**5,888,795**

The movement of net deferred tax liabilities are as follows:

	2024	2023
Balance as of January 1	5,888,795	2,356,254
Charged to the consolidated statement of profit or loss (note 16(a))	2,441,549	3,221,273
Charged to the consolidated statement of other comprehensive income	(19,898)	(30,889)
Disposal of subsidiary	-	(73,450)
Transfer to liabilities associated with assets held for sale	-	(123,201)
Discontinued operations	-	6,129
Foreign currency translation differences	3,951,679	532,679
Net deferred tax liabilities	**12,262,125**	**5,888,795**

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

Non-financial assets and liabilities (continued)

Significant estimates

* The deferred tax assets include an amount of EGP 7.1 billion which relates to carried forward tax losses of Orient group, the Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The subsidiary is expecting to generate taxable income from 2024 onwards. The losses can be carried forward for 5 years and would expire by 2028. The Group has unrecognised carry forward tax losses as of 31 December 2024 amounting to EGP 3.2 billion (31 December 2023: EGP 1 billion) and the related deferred tax assets amounted to EGP 732.6 million (31 December 2023: EGP 245.5 billion) which has not been recognized as it is not probable that future taxable profits will be available, which the Group can utilize the benefits relating to these assets following a significant decrease in prices and profitability in 2024.

** During the year ended 31 December 2022, one of the Group's subsidiaries (ERC) changed the categorization of its refinery facilities for tax return preparation purposes to be classified as part of the machinery and equipment class instead of the buildings and constructions class. This change in the estimate resulted in changing the refinery facilities tax depreciation calculation method to be double declining depreciation method to be depreciated over four years instead of straight-line depreciation method over twenty years, and the balances of the current and deferred income taxes have been revised accordingly from the categorization applied till 31 December 2021. The change in this estimate is to adopt a more conservative approach in refinery facilities tax depreciation and related deferred tax calculation.

6(g) Inventories

	2024	2023
Raw materials	7,310,449	3,796,288
Spare parts	2,417,911	1,859,881
Work in process	1,527,146	852,916
Finished goods	342,472	387,901
Heifers	-	126,348
Goods in transit*	1,490,971	475,096
Packing materials	75,886	53,805
Oil and lubricants	24,344	8,044
Others	84,822	71,957
Total	**13,274,001**	**7,632,236**
Less: Write-down of inventory provision	(151,073)	(190,263)
Net	**13,122,928**	**7,441,973**

* Goods in transit includes open letter credit amounting to EGP 1.4 B (2023: 363 M)

Inventories recognised as an expense in cost of sales during the year ended 31 December 2024 amounted to EGP 112.5M (2023: EGP 62.3M).

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

Non-financial assets and liabilities (continued)

The movement of the inventory provision was as follows:

	2024	2023
Balance at 1 January	190,263	204,258
Formed during the year	5,211	4,000
Used during year	(425)	-
No longer required	(104,874)	(8,384)
Transfer to assets classified as held for sale	-	(10,497)
Disposal of subsidiary	-	(8,499)
Discontinued operations	-	392
Foreign currency translation differences	60,898	8,993
	151,073	**190,263**

6(h) Provisions

	Provision for claims [3]	Legal provisions	Other provisions [3]	Total
Balance at 1 January 2023	**2,655,964**	**8,771**	**1,777,913**	**4,442,648**
Provisions formed (Note 12 b)	210,092	4,302	438,960	**653,354**
Provisions used	(304,855)	(102)	(832,748)	**(1,137,705)**
Provisions no longer required (Note 12 b)	(42,973)	(1,141)	(39,102)	**(83,216)**
Transfer to liabilities associated with assets classified held for sale	(136,265)	-	-	**(136,265)**
Disposal of subsidiary	(399,845)	-	-	**(399,845)**
Discontinued operations	58,029	-	-	**58,029**
Foreign currency translation	103,877	2,022	472,858	**578,757**
Balance at 31 December 2023 and 1 January 2024	**2,144,024**	**13,852**	**1,817,881**	**3,975,757**
Provisions formed (Note 12 b)	731,239	11,478	9,337	**752,054**
Provisions used	(415,084)	(3,491)	(3,248)	**(421,823)**
Provisions no longer required [2] (Note 12 b)	(6,840)	(1,068)	(2,739,289)	**(2,747,197)**
Foreign currency translation	227,161	6,866	1,127,092	**1,361,119**
Balance at 31 December 2024	**2,680,500**	**27,637**	**211,773**	**2,919,910**

	Provision for claims	Legal provisions	Other provisions	Total
Current	2,404,282	27,637	211,773	**2,643,692**
Non-Current [1]	276,218	-	-	**276,218**
Balance at 31 December 2024	**2,680,500**	**27,637**	**211,773**	**2,919,910**

1) The balance related to the social insurance.
2) In August 2013, ASEC Cement Company, a subsidiary of the National Company for Development and Trading, entered into an agreement with another party to form a company tasked with rehabilitating and operating a cement plant. Despite intentions, both parties failed to meet their obligations to the original owner of the cement plant. The failure was primarily attributed to the other party due to circumstances beyond ASEC Cement's control. As a result, the entity owning the cement plant filed a lawsuit in front of a court without jurisdiction.

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

Non-financial assets and liabilities (continued)

In March 2022, this court ruled that both parties must jointly pay 70.6 billion Iraqi Dinars to the plant's original owner. Consequently, a provision for the full amount of the judgment was recorded as of 31 December 2021.

However, the original agreement stipulated that any disputes would be resolved by the International Court of Arbitration. ASEC Cement subsequently filed a request with the international court, which accepted jurisdiction and confirmed itself as the designated forum for the case.

Based on ASEC Cement's legal advisor opinion, the undesignated court's ruling was deemed unenforceable due to jurisdictional limitations. Since no claims were filed in the designated court, ASEC Cement reversed the previously recorded provision.

3) Significant estimates

Provisions are related to claims expected to be made by third parties in connection with the Group's operations. Provisions are recognised based on management study and in-light of its advisors' opinion and shall be used for its intended purposes. In case of any differences between the actual claims received and the preliminary recorded amounts, such differences will affect the year in which these differences are occurred.

6(i) Current income tax liabilities

	2024	2023
Balance at 1 January	222,776	568,231
Income tax for the year (Note 16)	359,580	153,341
Income tax paid during the year	(120,876)	(307,259)
Withholding tax paid	(163,924)	(156,505)
Disposal of subsidiary	-	(303,253)
Transfer to liabilities associated with assets held for sale	-	(191,456)
Discontinued operations	-	467,095
Foreign currency translation differences	31,998	(7,418)
	329,554	**222,776**

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

7. Equity

7(a) Paid-up capital*

The Company's authorized capital is EGP 10 billion and the issued and paid-in capital is EGP 9.1 billion representing 1,820,000,000 shares distributed between 1,418,260,351 ordinary stocks and 401,739,649 preferred stocks. Preferred shares have the advantage of triple voting right compared with ordinary shares on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extra-ordinary general assembly meeting held on 12 May 2008 and also paragraph No. (3) of article No. (18) of the Company's article of associations. Those preferred shares are owned by Citadel Capital Partners Ltd. Company, the principal shareholder of the Company. The shareholders' structure for the year ended 31 December 2024 and 31 December 2023 is represented in the following:

Shareholder's name	Percentage	No. of shares	Amount
Citadel Capital Partners Ltd.	23.49%	427,455,671	2,137,278
Olayan Saudi Investment company	9.12%	165,964,000	829,820
Emirates International Investments Company	5.54%	100,900,000	504,500
Other shareholders	61.85%	1,125,680,329	5,628,402
	100%	**1,820,000,000**	**9,100,000**

*Refer to note 31(c)

7(b) Legal reserve

As required by the Holding Company's Articles of Association, 5% of the net profit shall be transferred to constitute the legal reserve, once the financial statements are approved by the Holding Company's ordinary general assembly meeting. Such transfer may be discontinued when the reserve equals 50% of the Company's issued and paid-up capital. Whenever this reserve is lower than this percentage, the deduction should be continued. This reserve is not available for distribution.

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

Equity (continued)

7(c) Reserves

	Shareholders' reserve (i)	Shareholders' balance	Fair value-financial assets through OCI	Foreign currency translation differences	Other reserves	Hedging reserve	Total
Balance at 1 January 2023	**(2,100,887)**	**-**	**6,625**	**4,525,991**	**(176,628)**	**7,764**	**2,262,865**
Revaluation of financial assets at fair value through OCI	-	-	(1,457)	-	-	-	**(1,457)**
Foreign currency translation differences	(526,561)	-	-	2,540,210	-	-	**2,013,649**
Shareholders' balance (ii)	-	(639,457)	-	-	-	-	**(639,457)**
Transactions with non-controlling interests	-	-	-	-	2,423,835	-	**2,423,835**
Disposal of subsidiary	-	-	-	(419,505)	(54,308)	(7,764)	**(481,577)**
Balance at 31 December 2023 and 1 January 2024	**(2,627,448)**	**(639,457)**	**5,168**	**6,646,696**	**2,192,899**	**-**	**5,577,858**
Revaluation of financial assets at fair value through OCI	-	-	73,060	-	-	-	**73,060**
Foreign currency translation differences	(1,696,756)	-	-	6,938,796	-	-	**5,242,040**
Shareholders' balance (ii)	-	(1,728,000)	-	-	-	-	**(1,728,000)**
Transactions with non-controlling interests	-	-	-	-	-	-	**-**
Hedge Risk In Interest Rates of Swap Contracts	-	-	-	-	1,956	-	**1,956**
Acquisition of NCI without change in control	-	-	-	-	(6,768,949)	-	**(6,768,949)**
Disposal of subsidiary	-	-	-	(344,463)	42,292	-	**(302,171)**
Balance at 31 December 2024	**(4,324,204)**	**(2,367,457)**	**78,228**	**13,241,029**	**(4,531,802)**	**-**	**2,095,794**

(i) Shareholders' reserve

Egyptian Refining Company "ERC" contractually agreed that ERC shall procure that it and its shareholders allocated to the Egyptian General Petroleum Corporation "EGPC" a fifteen percent (15%) shareholding in ERC at a price equal to the par value of the relevant shares. Half of such price shall be paid by EGPC in cash upon demand by ERC in the same manner as all other shareholders of ERC, whereupon ERC shall promptly procure that transfer or issue to EGPC of shares in ERC representing a fifteen percent (15%) shareholding in ERC. The remaining half of such price shall be paid by the Arab Refining Company S.A.E on behalf of EGPC and paid back by EGPC to the Arab Refining Company S.A.E (a) by way of retentions from dividends payable to EGPC in respect of such shares or (b) immediately upon any sale by EGPC of any such shares, If EGPC does not pay the half of such price payable in cash upon the demand of ERC, ERC shall be deemed to have satisfied its obligations under this agreement, and EGPC shall be deemed to have elected not to become a shareholder in ERC.

EGPC has not assumed the risks related to the un-paid shares to which they have subscribed for in ERC share capital as EGPC is protected from any losses related to half of the shares, does not receive any dividends until the loan is settled, and will benefit from the shares. EGPC assumes no downside on the ERC shares but receives the upside of the shares. The total amount of shares is USD 85.05 Million representing 6.28% shareholding in ERC.

Equity (continued)

The loan extended to EGPC does not accrue interest and there is no security or recourse to other assets for which contractual right of payment could be established, where shares paid on behalf of EGPC have been included in the non-controlling interest line item for the value of 2024: USD 85.05 million. Until the loan is repaid, the shares will continue to be shown as not issued to EGPC.

In accordance with Egyptian Accounting Standard “EAS 39”- Share based payments, where such a transaction occurs the rationale is that the entity must have received some unidentifiable consideration equal to the difference between the fair value of the equity transferred and the fair value of the consideration received.

Therefore, the transaction represents an equity-settled based payment transaction. Accordingly, the loan would be fair valued initially on the date of the agreement and would not require fair value at each reporting period. EGPC has already paid 7.5% of ERC equity shares and the other half which amounts to USD 85.05 Million will be shown in the shareholders' reserve and represents the shares for which the loan was extended to EGPC.

The reserve is in substance a loan to EGPC and therefore it is translated to EGP using closing exchange rates.

(ii) Shareholders' balance

- In December 2023, Qalaa’s fully owned subsidiary transferred ownership of its shares in Nile Energy Ltd., which owns 101,426,535 shares representing 7.5% of TAQA Arabia SAE shares with a fair value of EGP 902.6 million to Emirates International Investment Company, this amount becomes due from CCP in favor of Qalaa. Additionally, the transfer of Stratford Investments Ltd. shares, which owns 53,417,975 shares representing 3.95% of the shares of TAQA Arabia SAE with a fair value of 475.4 million Egyptian pounds to Cape Collard. The obligation to pay this amount becomes due from CCP, in favor of Qalaa. These liabilities were recorded as a shareholder credit balance amounting to EGP 1,378 billion. The due from CCP has been offset by CCP’s management fees, based on 10% of the consolidated net profit for the year ended 31 December 2023 allocated to the owners of the parent company. The management has classified this amount as an equity balance rather than a financial asset due to the fact that there will be no future cash flows associated with the balance and it will rather be settled from the future dividends and future due management fees.

- On 6 July 2023, Qalaa’s ordinary general assembly authorized Qalaa’s Board of Directors to transfer a debt owed by Citadel Capital Partners Ltd., Qalaa’s main shareholder to one of Qalaa’s fully owned subsidiaries Trimstone. This debt owed to Arab International bank and was transferred in the third quarter 2024 with an amount of EGP 1,728 billion. Management has classified the amount due from CCP as an equity balance rather than a financial asset. Consequently, this balance is going to be netted off from any future management fees amounting to 10% of the consolidated net profit of the Group attributable to the owners of the parent company, and/ or any other distributions in accordance with the company's articles of association

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

Equity (continued)

(iii) Hedging reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

Reconciliation of component of equity – attributable to the owners of the parent company

	TAQA	Total
Balance at 1 January 2024	-	-
Disposal of subsidiary	-	-
Balance at 31 December 2024	-	-

Reconciliation of component of equity – attributable to the owners of the parent company and non-controlling interest

	TAQA interest rate swap
Opening balance 1 January 2023	
Add:	23,400
Change in fair value of hedging instrument recognized in OCI	-
Less:	
Disposal of subsidiary	(23,400)
Ending balance 31 December 2023	-
Add:	
Change in fair value of hedging instrument recognized in OCI	-
Less:	
Disposal of subsidiary	-
Closing balance 31 December 2024	-

Performance

8. Segment information

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

The below sectors offer different products and services and are managed separately based on the Group's management and internal reporting structure as such these are considered different segments. There are no aggregations in the segment.

8(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 produces high-quality building materials that meet international environmental standards, while helping build critical national infrastructure in Africa and the Middle East. Qalaa, 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.

Transportation and logistics
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 alternative means of transporting goods. Time to move cargo via river barges, which are a more efficient, affordable, and environmentally friendly means of transport relative to trucking. The capacity of one river barge is equivalent to 40 trucks, with only one-quarter of the emissions.

Mining
Qalaa for Financial Investments Company investments in the mining sector help develop nations and add value to their natural resources. All of Group's 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 unlock their economic potential.

Agriculture food industries
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).

Segment information (continued)

Packaging and printing sector

Qalaa for Financial Investments invests in packaging and printing segment aims 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.

Financial services sector

Qalaa for Financial Investments and its subsidiaries within this sector invest in various sectors including energy, cement, transportation and logistics, mining, agriculture food industries, and Packaging and printing. Some of the wholly owned subsidiaries have acquired debts to finance ERC and other operational companies within the group.

The following summary describes the entities of each reportable segment:

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Agriculture and food sector
- Wafra Agriculture S.A.E Group.
- Falcon for Agriculture Investments Group

Energy Sector
- Silverstone Capital Investments Ltd. Group
- Orient Investment Properties Ltd. Group
- Tawazon for Solid Waste Management (Tawazon)

Transportation and logistics Sector
- Citadel Capital Transportation Opportunities Ltd. Group

Financial services Sector:
- Qalaa Holding for Financial Investments
- Citadel Capital Ltd
- Sequoia Willow Investments Ltd
- Arab Company for Financial Investments
- Lotus Alliance Limited
- Citadel Capital Holding for Financial Investment – Free Zone
- Citadel Capital for international Investment Ltd
- International for Mining Consultation
- International for Refinery Consultation
- Tanweer for Marketing and Distribution Company (Tanweer)
- Financial Unlimited for Financial Consulting
- Citadel Company for Investment Promotion
- National Company for Touristic and Property Investment
- United for Petroleum Refining Consultation
- Specialized for Refining Consulting
- Specialized for Real Estate Company
- National Company for Refining Consultation
- Citadel Capital Algeria
- Valencia Trading Holding Ltd.
- Andalusia Trading Investments
- Citadel Capital Financing Corp.
- Brennan Solutions Ltd.
- Mena Enterprises Ltd.
- Alcott Bedford Investments Ltd.
- Eco-Logic Ltd.
- Alder Burke Investments Ltd.
- Black Anchor Holdings Ltd.
- Cobalt Mendoza
- Africa Railways Investments Ltd.
- Darley Dale Investments Ltd.
- Citadel Capital Joint Investment Fund Management Limited
- Mena Joint Investment Fund
- Trimestone Assets Holding Limited – BVI
- Cardinal Vine Investments Ltd
- Global Service Realty Ltd
- Crondall Holdings Ltd
- Africa Joint Investments Fund
- Underscore International Holdings Ltd
- Valencia Regional Investments Ltd
- Sphinx Egypt for Financial Consulting Company
- Everys Holdings Limited
- Ledmore Holdings Ltd. Group
- Qalaa Energy Ltd.
- Investment Company for Modern Furniture

Mining Sector:
- ASEC company for mining Group (ASCOM)

Packaging and Printing Sector:
- Grandview Investment Holding

Cement Sector
- National Company for Development and Trading Group

Others:
- United Foundries Company
- Asec Trading

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

Segment information (continued)

8(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 consolidated statement of profit or loss.

31 December 2024	Segment revenue	Inter-segment revenue	Revenue from external customers	Timing of revenue recognition: At a point in time	Over time	Total
Energy	134,945,781	-	134,945,781	134,945,781	-	134,945,781
Cement	5,202,180	-	5,202,180	5,023,572	178,608	5,202,180
Agriculture food industries	3,245,268	-	3,245,268	3,245,268	-	3,245,268
Mining	3,227,735	-	3,227,735	2,812,799	414,936	3,227,735
Transportation and logistics	864,724	-	864,724	864,724	-	864,724
Other	1,394,274	(5,606)	1,388,668	1,388,668	-	1,388,668
	148,879,962	**(5,606)**	**148,874,356**	**148,280,812**	**593,544**	**148,874,356**

31 December 2023	Segment revenue	Inter-segment revenue	Revenue from external customers	Timing of revenue recognition: At a point in time	Over time	Total
Energy	87,649,359	-	**87,649,359**	87,649,359	-	**87,649,359**
Cement	3,822,002	-	**3,822,002**	3,088,182	733,820	**3,822,002**
Agriculture food industries	1,948,287	-	**1,948,287**	1,948,287	-	**1,948,287**
Mining	1,920,240	-	**1,920,240**	1,920,240	-	**1,920,240**
Transportation and logistics	581,637	-	**581,637**	581,637	-	**581,637**
Other	1,210,436	(634)	**1,209,802**	1,209,802	-	**1,209,802**
	97,131,961	**(634)**	**97,131,327**	**96,397,507**	**733,820**	**97,131,327**

The Group is domiciled in Egypt. The amount of its revenue from customers in Egypt was EGP 143.7 billion (2023: EGP 93.4 billion) representing 96.57% (2023: 96.23%) of the total consolidated revenue. Revenue generated from outside Egypt is substantially derived from the operations in Sudan.

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

Segment information (continued)

8(c) Segment assets

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

	2024				2023			
Segment assets	**Current assets**	**Non-current assets**	**Investment in associates**	**Total assets**	**Current assets**	**Non-current assets**	**Investment in associates**	**Total assets**
Energy	35,859,633	155,172,548	4,541,031	**195,573,212**	27,718,384	99,307,532	4,341,837	**131,367,753**
Financial services	19,801,128	29,387,065	2,067,531	**51,255,724**	11,831,411	27,810,463	157,667	**39,799,541**
Cement	7,355,073	11,117,715	289,525	**18,762,313**	6,883,576	7,201,873	300,485	**14,385,934**
Mining	2,445,299	4,799,410	-	**7,244,709**	2,738,493	2,459,851	-	**5,198,344**
Packaging & printing sector *	-	-	-	**-**	4,951,572	-	-	**4,951,572**
Agriculture food industries	1,052,331	2,131,433	-	**3,183,764**	784,455	1,421,029	-	**2,205,484**
Transportation and logistics	473,824	998,203	-	**1,472,027**	360,938	862,253	-	**1,223,191**
Other	975,719	216,337	-	**1,192,056**	767,876	208,210	-	**976,086**
	67,963,007	**203,822,711**	**6,898,087**	**278,683,805**	**56,036,705**	**139,271,211**	**4,799,989**	**200,107,905**
Eliminations	(25,478,561)	(24,670,318)	(82,440)	**(50,231,319)**	(17,151,490)	(22,228,541)	(104,686)	**(39,484,717)**
Total	**42,484,446**	**179,152,393**	**6,815,647**	**228,452,486**	**38,885,215**	**117,042,670**	**4,695,303**	**160,623,188**

The total of non-current assets other than financial instruments and deferred tax assets located in Egypt represents 93.8% (2023: 94.5%) of the total consolidated assets of the Group.

* Included in the packaging and printing sector assets classified as held for sale amounting to EGP 4.9 billion at the year ended 31 December 2023.

The additions to non-current assets during the year ended 31 December 2024 amounting to EGP 3.5 billion (2023: EGP 2.5 billion) includes an amount of EGP 2.5 billion (2023: EGP 1.8 billion) related to the energy segment and EGP 856 million (2023: EGP 697 million) related to the remaining sectors.

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

Segment information (continued)

8(d) Segments liabilities

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

Segment liabilities	2024 Current liabilities	2024 Non-current liabilities	2024 Total liabilities	2023 Current liabilities	2023 Non-current liabilities	2023 Total liabilities
Energy	23,762,764	74,520,738	**98,283,502**	60,178,600	11,822,958	**72,001,558**
Financial services	64,956,190	15,654,160	**80,610,350**	45,622,170	885,298	**46,507,468**
Cement	6,114,881	20,442,830	**26,557,711**	13,549,208	8,656,956	**22,206,164**
Agriculture food industries	7,135,994	634,620	**7,770,614**	4,343,867	483,680	**4,827,547**
Mining	4,386,271	698,398	**5,084,669**	2,057,415	1,600,924	**3,658,339**
Packaging & printing sector *	-	-	**-**	3,399,184	-	**3,399,184**
Transportation and logistics	4,122,139	159,609	**4,281,748**	2,685,174	93,537	**2,778,711**
Other	1,762,645	1,084,544	**2,847,189**	1,839,941	485,860	**2,325,801**
	112,240,884	**113,194,899**	**225,435,783**	**133,675,559**	**24,029,213**	**157,704,772**
Elimination	(42,000,798)	(21,981,881)	**(63,982,679)**	(27,193,499)	(9,832,443)	**(37,025,942)**
Total	**70,240,086**	**91,213,018**	**161,453,104**	**106,482,060**	**14,196,770**	**120,678,830**

* Included in the packaging and printing sector liabilities associated directly with held for sale amounting to EGP 3.3 billion at the year ended 31 December 2023.

8(e) Segments operating profits, depreciation and amortization and net finance costs

2024	Gross profit	Depreciation and amortization	Net finance costs
Energy	10,067,540	11,507,059	4,857,786
Cement	565,791	1,255,237	435,611
Mining	526,902	257,290	316,280
Agriculture food industries	1,187,357	74,786	299,960
Transportation and logistics	551,438	76,842	198,241
Financial services	-	1,911	4,026,247
Other	280,444	12,343	45,276
	13,179,472	**13,185,468**	**10,179,401**
Eliminations	-	3,699	(1,163,915)
Total	**13,179,472**	**13,189,167**	**9,015,486**

2023	Gross profit	Depreciation and amortization	Net finance costs
Energy	15,104,268	7,271,182	5,116,469
Cement	929,665	615,164	1,234,509
Mining	423,745	171,019	142,096
Agriculture food industries	567,710	67,620	127,807
Transportation and logistics	341,605	58,684	92,978
Financial services	-	9,119	114,451
Other	187,046	5,479	45,450
	17,554,039	**8,198,267**	**6,873,760**
Eliminations	-	11,978	(40,916)
Total	**17,554,039**	**8,210,245**	**6,832,844**

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

Profit or loss

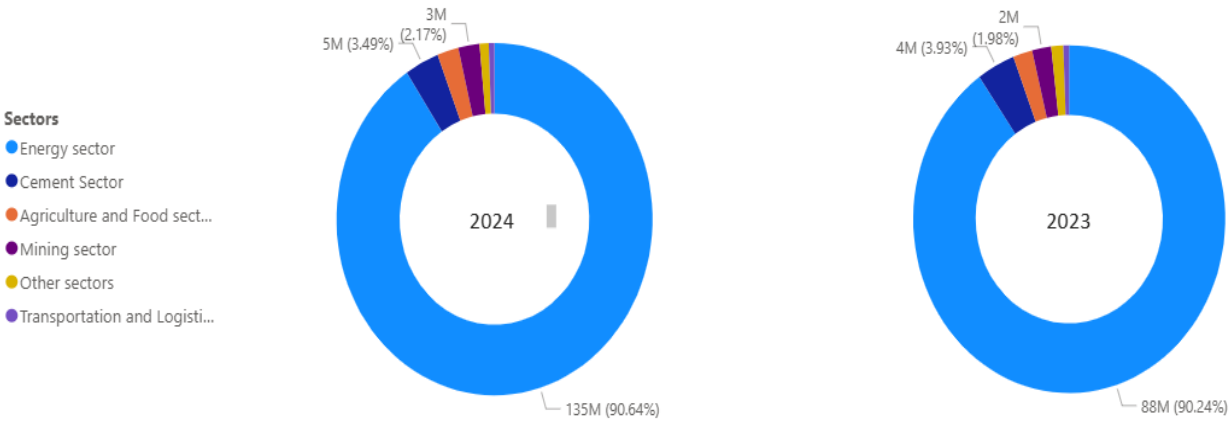
9. Revenue

	2024	2023
Energy sector	134,945,781	87,649,359
Cement Sector	5,202,180	3,822,002
Agriculture and Food sector	3,245,268	1,948,287
Mining sector	3,227,735	1,920,240
Transportation and Logistics sector	864,724	581,637
Other sectors *	1,388,668	1,209,802
	148,874,356	**97,131,327**

Revenue from other sectors include revenues amounting to EGP 29.2 million (2023: EGP 537.8 million) from Asec Trading.

9(a) Segment revenue

The energy segment drives majority of revenues from external sales as it contributes more than 90% of sales during the year ended 31 December 2024 after the full operation of the refinery. Below are segment revenues after the elimination of inter-segment sales. Revenue from foreign customers doesn't exceed 10% of the total Group's revenue.



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

Revenue (continued)

9(b) Assets and liabilities related to contracts with customers

(i) The Group has recognized the following assets and liabilities related to contracts with customers:

	2024	2023
Current contract assets (note 5(a))	474,741	124,640
Total contract assets	**474,741**	**124,640**

	2024	2023
Contract liabilities – others (note 5(e))	2,239,395	2,364,507
Total current contract liabilities	**2,239,395**	**2,364,507**

(ii) The following table shows how much of the revenue recognised in the current reporting year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	2024	2023
Revenue recognised that was included in the contract liability balance at the beginning of the year	21,946	123,782
Revenue recognised from performance obligations satisfied in previous years	-	-

(iii) The significant changes in contract assets and liabilities are related to the collections received from the customers against the services that will be rendered by the Group.

10. Cost of revenue

	2024	2023
A) Cost of revenue by segment		
Energy sector	124,878,241	72,545,091
Cement Sector	4,636,389	2,892,337
Mining sector	2,700,833	1,496,495
Agriculture and Food sector	2,057,911	1,380,577
Transportation and Logistics sector	313,286	240,032
Other sectors	1,108,224	1,022,756
	135,694,884	**79,577,288**

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

Cost of revenue (continued)

	2024	2023
B) Cost of revenue		
Manufacturing materials	112,564,085	62,316,034
Depreciation and amortization	12,131,552	7,511,467
Electricity and utilities supplies	3,502,147	2,573,553
Wages, salaries, and other staff costs	2,672,287	1,909,145
Supplies	817,801	699,725
Insurance	548,690	571,931
Promotions, advertisements, gifts and public relations	38,068	-
Low value and short-term rents	313,664	189,181
Maintenance	110,937	45,706
Fuel and lubricants	76,483	43,075
Travel and accommodation	32,463	20,096
Professional and consultancy fees	16,467	17,257
Transportation and vehicles	3,484	15,413
Penalties	6,256	5,395
IT Supplies	15,071	7,450
Tools and equipment	1,376	473
Others *	2,844,053	3,651,387
	135,694,884	**79,577,288**

* Others mainly represent freight expenses, inspections and consumables.

11. General, administrative, selling and marketing expenses

	2024	2023
a) General and administrative expenses		
Wages, salaries and in- kind benefits	1,793,677	1,059,187
Management fees	710,132	863,462
Depreciation and amortization	1,031,667	679,787
Professional and consultancy fees	361,492	250,766
Insurance	409,742	249,314
Low value and short-term rents	84,808	59,935
Donations	74,692	52,478
IT supplies	96,936	45,473
Transportation and vehicles	3,316	21,514
Supplies	14,727	15,022
Penalties	5,047	5,189
Travel and accommodation	45,902	-
Advertising and public relations	11,987	-
Maintenance	1,948	1,653
Electricity and utilities supplies	1,127	800
Other	888,339	371,424
	5,535,539	**3,676,004**

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

General, administrative, selling and marketing expenses (continued)

	2024	2023
b) Selling and marketing expenses		
Advertising and public relations	183,156	190,997
Wages, salaries and in- kind benefits	106,760	77,471
Depreciation and amortization	25,948	18,991
Transportation and vehicles	27,228	17,046
Low value and short-term rents	29,728	8,000
Travel and accommodation	6,443	2,010
Other	91,281	65,653
	470,544	**380,168**

12. Net impairment of financial assets and other operating expenses

	2024	2023
a) Net impairment of financial assets		
Impairment of bank accounts formed (Note 5(d))	(36,922)	-
Impairment of bank accounts no longer required (Note 5(d))	10,781	1,250
Impairment of due from related parties formed (Note 21(a))	7,244	(1,743)
Impairment of due from related parties no longer required (Note 21(a))	(1,641)	4,889
Impairment of trade receivables and other debit balances formed (Note 26(b)) (Note 5(a))	(52,035)	(714,781)
Impairment of trade receivables and other debit balances no longer required (Note 26(b))	697,561	259,213
Impairment in financial asset at fair value through profit or loss	(320,589)	-
Others	-	3,863
	304,399	**(447,309)**

	2024	2023
b) Other gains and (losses)		
Net change in the fair value of liabilities at fair value through profit and loss (Note 5(g))	(178,019)	(24,370)
Loss on sale of fixed assets (Note 6(a))	(13,258)	(1,165)
Impairment of fixed assets – net (Note 6(a))	3,335	25
loss on sale of biological assets	(53,119)	(31,959)
Impairment of inventory – net (Note 6(g))	99,663	4,384
Provisions formed (Note 6(h))	(752,054)	(653,354)
Provisions no longer required (Note 6(h))	2,747,197	83,216
Net change in financial asset fair value change through profit or loss (Note 5(c)(ii)) (Note 5(f)(iv))	(1,052,561)	276,002
Export subsidy revenue *	136,831	95,349
Others**	1,431,507	(73,393)
	2,369,522	**(325,265)**

* Export subsidies represent the government subsidy on the export sales for the Group, and it is recognized as a percentage of the exported goods.

** Others include a gain with an amount of USD 28 million equivalent to EGP 1.4 billion related to the settlement under the Egyptian petroleum company (EPC) contract between ERC and EPC contractor.

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

13. Expenses by nature

	2024	2023
Cost of revenue (Note 10)	135,694,884	79,577,288
General and administrative expenses (Note 11(a))	5,535,539	3,676,004
Selling and marketing expenses (Note 11(b))	470,544	380,168
	141,700,967	**83,633,460**

	2024	2023
Manufacturing materials	112,564,085	62,316,034
Depreciation and amortization	13,189,167	8,210,245
Wages, salaries and other staff costs	4,572,724	3,045,803
Electricity and utilities supplies	3,503,273	2,574,353
Management fees	710,132	863,462
Insurance	958,432	821,245
Supplies	832,528	714,747
Professional and consultancy fees	377,959	268,023
Low value and short-term rents	428,200	257,116
Promotions, advertisements, gifts, and public relations	233,211	222,405
Transportation and vehicles	34,028	53,973
IT Supplies	112,005	52,923
Donations	74,692	52,478
Maintenance	112,885	47,359
Fuel and lubricants	76,483	43,075
Travel and accommodation	84,809	22,106
Penalties	11,304	10,584
Tools and equipment	1,376	473
Others	3,823,674	4,057,056
	141,700,967	**83,633,460**

14. Finance costs – net

	2024	2023
Credit interest	(942,935)	(525,112)
Gains from restructuring of loans	-	(1,415,993)
Net foreign exchange gain	(798,689)	(176,380)
Total finance income	**(1,741,624)**	**(2,117,485)**
Interest expenses	8,715,302	8,568,866
Ineffective portion of cash flow hedge (loss)	201,461	262,719
Lease interest expense	431,535	118,744
Debt restructuring cost*	147,356	-
Other interest expense **	1,261,456	-
Total finance costs	**10,757,110**	**8,950,329**
Net	**9,015,486**	**6,832,844**

* This amount represents the cost incurred related to the restructuring of QH debts.
** other interest expense represents the interest calculated on the total debt amount at the previous interest rate under the original loan agreement

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

15. Share of profit / (loss) of investments in associates

	2024	2023
Ascom Precious Metals (APM)	-	32,442
National printing company	71,438	-
Taqa	167,577	-
Dar AL Shorouk Company	7,642	7,976
Egyptian Company for Solid Waste Recycling (ECARU)	13,577	3,969
Al Kateb Co for Marketing and Distribution	1,224	2,994
Wathba for Petroleum Services	(37,358)	-
Zahana Cement Company	(10,003)	(63,606)
	214,097	**(16,225)**

16. Income tax

16(a) Income tax expense

	2024	2023
Current income tax (note 6(i))	359,580	153,341
Deferred income tax (note 6(f))	2,441,549	3,221,273
Net	**2,801,129**	**3,374,614**

The below table shows the current and deferred income tax included in discontinued operations:

	2024	2023
Current income tax (note 6(i))	-	467,095
Deferred income tax (note 6(f))	-	6,129
Net	**-**	**473,224**

16(b) Significant estimates

The Group is subject to income tax in several countries. The majority of the Group’s operations are concentrated in Egypt and are subject to income tax rules in that jurisdiction. The provision for income tax is estimated by the Group through the tax department and management's consultants. Because of the nature of the procedures for estimating tax liabilities in Egypt, the outcome of the tax estimate by the Tax Authority may not be realistic. Therefore, additional possible tax liabilities may arise as a result of tax inspection, and the estimate of tax authority for tax due from the Group. In case of any variation between the preliminary and final estimates, such variation will affect the income tax expense in the period in which it arises.

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

Income tax (continued)

16(c) Numerical reconciliation of income tax expense to prima facie tax payable

The tax expense on the Group's profit before tax differs from the theoretical amount of income tax expense that would arise using the weighted average tax rate, as follows:

	2024	2023
Net profit before tax	**1,045,921**	**8,943,982**
Income tax based on tax rate (22.5%)	235,332	2,012,396
Expenses not deductible for tax purposes	5,388,262	4,582,995
Income not taxable for tax purposes	(421,066)	(475,284)
Effect of carry forward tax losses	(2,401,399)	(2,745,493)
Income tax expense	**2,801,129**	**3,374,614**

16(d) Income tax related to other comprehensive income items

	2024	2023
Items that may be reclassified to profit or loss		
Financial asset at fair value through OCI	(19,898)	-
Net foreign currency exchange loss	-	30,889
Income tax related to other comprehensive income items	**(19,898)**	**30,889**

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

Cash flows

17. Cash flow information

17(a) Cash flow generated from operating activities

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year before income tax		1,045,921	8,943,982
Adjusted to:			
Depreciation and amortization	13	13,189,167	8,667,000
loss on settlement of lease contract		(1,033)	362
Impairment in fixed assets – **net**	12(b)	(3,355)	25
Effect of financial assets at fair value through profit or loss	12(a)	1,052,561	486,719
Change in biological assets' fair value		(263,030)	
Unrealised forex losses		(12,489)	3,711,045
Gains from restructuring of loans	14	-	(1,415,993)
Impairment of inventory – **net**	12(b)	(99,663)	(4,384)
Impairment of due from related parties – **net**	12(a)	(5,603)	(3,146)
Impairment of trade and other receivables – **net**	12(a)	(645,526)	455,568
Impairment of financial assets at FV through profit or loss – **net**	12(a)	320,553	
Ineffective portion of cash flow hedge	14	201,461	262,719
Gain from sale of associates		-	(3,067,758)
Share of losses / (profits) of investments in associates	15	(214,096)	16,225
Effect of financial liabilities at fair value through profit or loss	12(b)	178,019	24,370
loss on sale of fixed assets	12(b)	13,258	1,165
Loss on sale of biological assets	12(b)	53,119	31,959
Provisions – **net**	12(b)	(1,995,143)	570,138
Interest expenses	14	10,408,293	8,687,610
Interest income	14	(942,935)	(525,112)
Operating profit before changes in working capital		**22,279,479**	**26,842,494**

17(b) Non-cash investing and financing activities

	2024	2023
Transfer from PUC to intangible assets	-	870
Transfer to assets held for sale	-	1,546,883
Transfer to liabilities associated directly with held for sale	-	3,373,730
New leases during the year	374,832	103,802
Loan settlement against sale of subsidiary	10,203,207	
Ineffective portion of cash flow hedge	821,903	
Transfer from investments in associates to financial assets at fair value through other comprehensive income	-	49,979
The effective portion of cash flow hedge	201,461	-
Recognition of call option (NSPO)	-	1,163,988

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

Cash flow information (continued)

17(c) Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the years presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

	Borrowings	Lease liabilities	Dividends payable	Total
Balances at 1 January 2023	**87,573,725**	**2,602,671**	**26,843**	**90,203,239**
Cash flows				
Loan drawdowns	1,788,685	-	-	**1,788,685**
Bank overdraft drawdowns	(594,373)	-	-	**(594,373)**
Proceeds from leasing entities	-	(296,796)	-	**(296,796)**
Dividends paid	-	-	(901,567)	**(901,567)**
Repayments of principal	(17,020,186)	(44,387)	-	**(17,064,573)**
Interest payments	(1,471,306)	(145,054)	-	**(1,616,360)**
Non-cash changes				
Finance cost	5,166,919	230,211	-	**5,397,130**
Foreign exchange adjustments	13,946,727	(131,357)	(9,454)	**13,805,916**
Disposal of subsidiaries	(6,517,242)	(908,873)	-	**(7,426,115)**
New leases during the year	-	103,802	-	**103,802**
Dividends declared	-	-	901,567	**901,567**
Other	(1,415,993)	-	-	**(1,415,993)**
Balance at 31 December 2023	**81,456,956**	**1,410,217**	**17,389**	**82,884,562**
Cash flows				
Loan drawdowns	350,367	-	-	**350,367**
Bank overdraft drawdowns	980,883	-	-	**980,883**
Proceeds from leasing entities	-	502,776	-	**502,776**
Dividends paid	-	-	(231,823)	**(231,823)**
Repayments of principal	(24,702,227)	(203,545)	-	**(24,905,772)**
Interest payments	(156,416)	(396,580)	-	**(552,996)**
Non-cash changes				
Finance cost	9,064,716	396,580	-	**9,461,296**
Foreign exchange adjustments	41,439,581	(572)	-	**41,439,009**
Disposal of subsidiaries	(10,203,207)	-	-	**(10,203,207)**
New leases during the year	-	378,577	-	**378,577**
Dividends declared	-	-	225,622	**225,622**
Other	13,141,627	(458)	-	**13,141,169**
Balance as at 31 December 2024	**111,372,280**	**2,086,995**	**11,188**	**113,470,463**

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

Unrecognised items

18. Contingent liabilities and contingent assets

The contingent liabilities as at 31 December 2024 and 31 December 2023 are as follows:

18(a) ASEC Automation Co.

	2024	2023
Letters of guarantee	33,416	12,699

18(b) ASEC Environmental Protection Co.

	2024	2023
Letters of guarantee	-	551

18(c) Arab Swiss Engineering Co.

	2024	2023
Letters of guarantee	5,487	4,417
Letters of credit	58,090	49,844

18(d) ASEC for Manufacturing and Industries Project Co.

	2024	2023
Letters of guarantee	83,204	91,942

Citadel Capital Partners Ltd (CCP) pledged 21 million of its preferred shares to the favor of HSBC on behalf of ARESCO.

18(e) Qalaa for Financial Investments

	2024	2023
Letters of guarantee	6,354	3,861

18(f) ASEC Company for Mining

	2024	2023
Letters of guarantee	-	75,213

18(g) Ascom Carbonate and Chemicals Manufacturing S.A.E

USD	2024	2023
Letters of guarantee	919,547	-

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

19. Financial assets and liability offset

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 December 2024 and 31 December 2023. The column 'net amount 'shows the impact on the Group's balance sheet if all set-off rights were exercised.

	Effects of offsetting on the financial position			Related amounts not offset		
31 December 2024	**Gross amounts before offsetting in the statement of financial position (a)**	**Gross amounts set off in the statement of financial position (b)**	**Net amount after offsetting in the statement of financial position (c) = (a) – (b)**	**Amounts subject to master netting (d)**	**Cash collateral received (e)**	**Net amount of exposure (c) – (d) – (e)**
Assets						
Trade and other receivables *	15,038,025	(1,194,333)	**13,843,692**	-	-	**13,843,692**
Derivative financial assets	1,309,128	-	**1,309,128**	-	-	**1,309,128**
Restricted cash	11,215,019	-	**11,215,019**	-	(11,215,019)	-
Total assets subject to offsetting, master netting and similar arrangement	**27,562,172**	**(1,194,333)**	**26,367,839**	**-**	**(11,215,019)**	**15,152,820**
Liabilities						
Trade and other payables *	17,388,065	(1,194,333)	**16,193,732**	-	-	**16,193,732**
Derivative financial liabilities	2,004,523	-	**2,004,523**	-	-	**2,004,523**
Loans and borrowings	111,372,280	-	**111,372,280**	-	(11,215,019)	**100,157,261**
Total liabilities subject to offsetting, master netting and similar arrangement	**130,764,868**	**(1,194,333)**	**129,570,535**		**(11,215,019)**	**118,355,516**

	Effects of offsetting on the financial position			Related amounts not offset		
31 December 2023	**Gross amounts before offsetting in the statement of financial position (a)**	**Gross amounts set off in the statement of financial position (b)**	**Net amount after offsetting in the statement of financial position (c) = (a) – (b)**	**Amounts subject to master netting (d)**	**Cash collateral received (e)**	**Net amount of exposure (c) – (d) – (e)**
Assets						
Trade and other receivables *	15,403,151	(525,789)	**14,877,362**	-	-	**14,877,362**
Derivative financial assets	2,056,155	-	**2,056,155**	-	-	**2,056,155**
Restricted cash	6,927,292	-	**6,927,292**	-	(6,927,292)	-
Total assets subject to offsetting, master netting and similar arrangement	**24,386,598**	**(525,789)**	**23,860,809**	**-**	**(6,927,292)**	**16,993,517**
Liabilities						
Trade and other payables *	12,680,220	(525,789)	**12,154,431**	-	-	**12,154,431**
Derivative financial liabilities	872,189	-	**872,189**	-	-	**872,189**
Loans and borrowings	81,456,956	-	**81,456,956**	-	(6,927,292)	**74,529,664**
Total liabilities subject to offsetting, master netting and similar arrangement	**95,009,365**	**(525,789)**	**94,483,576**	**-**	**(6,927,292)**	**87,556,284**

* In terms of an agreement with a supplier, the amounts due to and due from may be offset. The requirements of offsetting have been met and offsetting is allowed in all cases including on liquidation.

20. Capital commitments

Glass Rock Insulation Company S.A.E

USD	**2024**	**2023**
Capital commitments	9,665	-

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

Other information

21. 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". Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The related parties comprise the Group's board of directors, their entities, companies under common 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 year, and the balances due at the date of the consolidated financial statements.

21(a) Due from related parties

		Nature of transactions		Balances	
Name of the Company	Nature of relationship	Foreign currency translation differences	Finance	2024	2023
Golden Crescent Finco Ltd.	Investee *	585,487	134	1,492,439	906,818
Emerald Financial Services Ltd.	Investee *	500,453	1,268	1,276,761	775,040
Nile Valley Petroleum Ltd.	Investee *	429,254	-	1,094,793	665,539
Benu one Ltd.	Investee *	209,094	-	532,947	323,853
Citadel Capital Partners	Parent	-	(388,209)	287,637	675,846
Logria Holding Ltd,	Investee *	112,494	4,458	304,663	187,711
Rotation Ventures	Investee *	108,567	-	276,720	168,153
Golden Crescent Investment Ltd.	Investee *	76,098	-	193,963	117,865
Mena Glass Ltd	Associate	68,534	-	174,682	106,148
Sphinx International Management	Investee *	(758)	6,711	46,702	40,749
Visionaire	Investee *	26,177	-	66,721	40,544
Egyptian Company for International Publication	Investee *	4,500		41,896	37,396
Adena	Shareholder	14,959	-	38,129	23,170
Nahda Company – Sudan	Investee *	12,862	-	32,783	19,921
El Kateb for Marketing & Distribution	Associate	-	-	598	598
ECARU	Associate	58	31,279	31,337	-
Others		13,016	12,155	72,627	47,456
Total				**5,965,398**	**4,136,807**
Less: Accumulated impairment loss**				(5,524,885)	(3,360,771)
				440,513	**776,036**

* The Group holds less than 20% shareholding in these investments. These investments do not meet the definition of related parties as per the Egyptian Accounting Standards (EAS 15 "Related Party Disclosures"). However, the Group's management has classified these investments as related parties for disclosure purposes only.

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

Related party transactions (continued)

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

	Balance as of 1 January 2024	Foreign currency translation differences	Formed	Reversal of impairment	Transfer to assets classified as held for sale	Balance as of 31 December 2024
Golden Crescent Finco Ltd.	906,818	585,621	-	-	-	**1,492,439**
Emerald Financial Services Ltd.	775,040	500,331	1,390	-	-	**1,276,761**
Nile Valley Petroleum Ltd.	665,539	429,254	-	-	-	**1,094,793**
Benu One Ltd	323,853	209,094	-	-	-	**532,947**
Logria Holding Ltd.	187,711	121,815		(4,863)	-	**304,663**
Rotation Ventures	168,153	108,567	-	-	-	**276,720**
Golden Crescent Investment Ltd.	117,865	76,098	-	-	-	**193,963**
Mena Glass	106,148	68,534	-	-	-	**174,682**
Visionaire	40,544	26,177	-	-	-	**66,721**
Nahda	19,921	12,862	-	-	-	**32,783**
Sphinx International Management	4,931	3,101		(2,381)	-	**5,651**
Egyptian Company for International Publication	406	-	-	-	-	**406**
Citadel Capital Partners	634	363	251	-	-	**1,248**
El Kateb for Marketing & Distribution	60	-	-	-	-	**60**
Others	43,148	27,900	-	-	-	**71,048**
	3,360,771	**2,169,717**	**1,641**	**(7,244)**	**-**	**5,524,885**

21(b) Due to related parties

		Nature of transactions		Balances	
Name of the company	**Nature of relationship**	**Foreign currency translation differences**	**Finance**	**2024**	**2023**
Mena Glass Ltd.	Associate	416,021	(1,087)	1,218,001	803,067
National Printing	Associate	-	51,436	51,436	-
Others		918	(19,568)	18,364	37,014
				1,287,801	**840,081**
Due to shareholders					
International Finance Corporation	Shareholder in subsidiary	489,177	104,657	1,344,363	750,529
Financial Holding International	Shareholder in subsidiaries	91,325	(90,448)	487,605	486,728
El-Rashed	Shareholder in subsidiary	62,110	-	158,309	96,199
Omran	Shareholder in subsidiary	20,058	-	62,902	42,844
Ahmed Heikal	Chairman	101	-	944	843
Others		19,629	-	55,008	35,379
				2,109,131	**1,412,522**
				3,396,932	**2,252,603**

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

Related party transactions (continued)

21(c) Key management compensation

Key management includes Directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit.

The Group paid EGP 258,719 as salaries and benefits to senior management personnel during the year ended 31 December 2024 (31 December 2023: EGP 182,286). This amount includes the social insurance contribution.

21(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 year was 7.5% (2023: 11.22%). Outstanding balances are secured and are repayable in cash.

22. Earnings per share

22(a) Basic 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 year after excluding ordinary shares held in treasury.

	2024	2023
From continuing operations attributable to the ordinary equity holders of the company	(1.847)	0.641
From discontinued operation	5.359	2.943
Total basic earnings per share attributable to the ordinary equity holders of the company	**3.512**	**3.584**

22(b) Reconciliations of earnings used in calculating earnings per share

	2024	2023
Basic earnings per share		
(Loss)/ Profit from continuing operations as presented in the consolidated statement of profit or loss	(1,755,208)	5,569,368
(Less): (Profit) from continuing operations attributable to non-controlling interests	(1,606,767)	(4,403,298)
(Loss)/ Profit from continuing operations attributable to the ordinary equity holders	**(3,361,975)**	**1,166,070**
Profit from discontinued operation	9,753,159	5,357,050
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**6,391,184**	**6,523,120**

The weighted average number of shares during the year was 1,820,000.

22. Earnings per share (continued)

22(b) Diluted earnings per share

Diluted earnings 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 31 December 2024 and 31 December 2023, hence the diluted earnings per share is the same as the basic earnings per share.

23. Employees stock option plan

The Holding Company's extraordinary general assembly meeting held on 20 February 2008 approved to add a new article to the Holding Company Article of Association to adopt a plan or more to motivate employees, managers, and executive board of directors – Employees Stock Option Plan (ESOP) in accordance with decision No. 282 for 2005 which modified executive regulation for the law No. 159 / 1981.

On 18 October 2018, Qalaa for Financial Investments' BOD announces to the Egyptian stock market, its intention to renew the expired ESOP plan for eight years starting from the approval of the Financial Regulatory Authority (FRA) on the plan. On 10 December 2018, Qalaa for Financial Investments' extraordinary general assembly meeting approved the new plan. However, it was not applied due to incomplete procedures to get the FRA's approval.

On 18 January 2024, the Holding Company's extraordinary assembly approved the cancellation of the Employees' Stock Options Plan (ESOP) policy which was presented to the extraordinary assembly on 10 December 2018 and approved the renewed ESOP policy which promises employees, managers, and executive board of directors' members to designate shares as follows:

- Shares equivalent to 5% of the company's issued shares are granted as free shares. The supervisory ESOP committee determines the number of shares allocated to beneficiaries of the system. The duration of this scheme is 6 years starting from the date of approval by the FRA.

- The beneficiary is entitled to the granted shares in three equal instalments over a period of 12 months, at most, after the expiration of the lock-up period, which is 3 years.

These shares are provided through a special reserve, issuance of new shares, transfer of reserve funds, or a portion thereof, or by converting retained earnings into shares, increasing the capital by their nominal value, or purchasing existing shares from the company's shares traded on the Egyptian Stock Exchange as treasury shares, in compliance with the applicable regulations in this regard, and allocating them to the beneficiaries according to the rules outlined in the plan.

On 5 September 2024, the Holding Company obtained the necessary approvals from the FRA for the ESOP. However, the committee meeting to execute the plan has not yet taken place up to date and this was not formally communicated to the employees enrolled in this plan. As a result, the plan remains inactive, and no charges related to share-based payments will be incurred as of 31 December 2024.

24. Tax position of Qalaa for Financial Investments company

Because of the nature of the procedures of estimating tax liabilities in the Arab Republic of Egypt, the final result of this estimations by the Tax Authority may not be realistic. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority over the Company. A summary of the tax status of the Company to 31 December 2024 is as follows:

24(a) Corporate tax

The period since inception to 31 December 2008
- The company was not included in the inspection sample.

The years from 2009 till 2014
- The company has been inspected by estimate, the legal dates have been appealed, and the actual re-inspection is underway.

The years from 2015 till 2024
- The Tax returns are submitted on time.

24(b) Payroll tax

The period since inception to 31 December 2004
- The tax dispute for that period was inspected and settled.

The years from 2005 till 2019
- The company was inspected for that period, and the legal dates were appealed, and the dispute was referred to the internal committee of the tax office.

The years from 2010 till 2024
- Annual settlements are submitted to the tax authority.

24(c) Stamp duty tax

The period since inception to December 2013
- The tax dispute for that period was inspected and settled.

The years from 2014 till 2023
- No inspection was done for that period.

Risk

25. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

25(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a material impact to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Impairment of trade receivables and other debit balances – note 5(a)(vi)
- Useful life of fixed assets – note 6(a)(Vi)
- Provision for income tax – note 16(b)
- Provisions – note (6)(h)
- Impairment of non-financial assets – note (6)(d)(h)

25(b) Critical judgement in applying the Group's accounting policies

In general, applying the Group accounting policies does not require judgement other than the below and apart from those involving estimates refer to in note 26(a) above that have significant effects on the amounts recognized in the consolidated financial statements.

- Hyperinflationary economies –note 4
- Consolidation of Orient Investment Properties Ltd and its subsidiary Egyptian Refining Company – (S.A.E) ("ERC") – note 2(e)(i)
- Functional currencies of different entities of the Group– note 2(e)(ii)
- Assessing whether the arrangement with EGPC is or contains a lease – note 6(b)(2)(ii)
- Control Grandview Investment Holdings Corporation (Grandview) – note 2(e)(iii)
- Control over "Dar Elsherouk Company" – note 2(f)(iii)
- Critical judgement with respect to the going concern of the Group – note 28(a)(iii)

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

26. Financial risk management

The Group's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange risks, prices risk, cash flow interest rate risks and fair value risks), credit risks, and liquidity risks.

The Group's management aims to minimise the potential adverse effects on the Group's financial performance, through the monitoring process performed by the Group's Finance Department and the Holding Company's chairman.

26(a) Market risk

(i) Foreign currency exchange risks

Foreign currency exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Group while keeping all other variables constant, on the consolidated statement of comprehensive income:

	2024	2023
United States Dollar 2% (2023 : 30%)	(68,846)	(401,403)
United Arab Emirates Dirham 2% (2023 : 30%)	16	(1,510)
Sterling Pound 2% (2023 : 30%)	(1,032)	(1,275)
Syrian Lira 2% (2023 : 30%)	-	(3,019)
Sudanese Pound 2% (2023 : 30%)	(23)	(816)
Saudi Arabia Riyal 2% (2023 : 30%)	331	(24)
Swiss Franc 2% (2023 : 30%)	(32)	(23)
Jordanian Dinar 2% (2023 : 30%)	355	57
Algerian Dinar 2% (2023 : 30%)	1,106	9,967
Euro 2% (2023 : 30%)	(26,184)	162,012
Canadian Dollar 2% (2023 : 30%)	-	282,389

The following table shows the currencies position denominated in Egyptian Pounds at the date of the consolidated statement of financial position:

	2024			2023
	Assets	Liabilities	Net	Net
United States Dollar	18,809,778	(22,252,068)	**(3,442,290)**	**(1,338,010)**
United Arab Emirates Dirham	1,381	(593)	**788**	**(5,034)**
Sterling Pound	1,450	(53,040)	**(51,590)**	**(4,250)**
Syrian Lira				**(10,062)**
Sudanese Pound		(1,164)	**(1,164)**	**(2,721)**
Saudi Arabia Riyal	21,743	(5,213)	**16,530**	**(79)**
Swiss Franc		(1,600)	**(1,600)**	**(76)**
Jordanian Dinar	18,194	(440)	**17,754**	**190**
Algerian Dinar	56,189	(895)	**55,294**	**33,224**
Euro	1,389,187	(2,698,398)	**(1,309,211)**	**540,039**
Canadian Dollar				**941,297**

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

Financial risk management (continued)

(ii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position either as at fair value through other comprehensive income (FVOCI) (note 5(b)) or at fair value through profit or loss (FVPL) (note 5(c)).

Financial assets at fair value through other comprehensive income are considered immaterial, and accordingly the Group considered that expose to price risk is insignificant.

The Group is also exposed to risks arising from environmental and climatic changes, and commodity prices affecting the biological asset and refinery industry held by the Group. The Group has strong environmental policies and procedures in place to comply with environmental and other laws.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded and are included either in the Toronto Stock Exchange or the London Stock Exchange.

Sensitivity

The table below summarises the impact of increases/ (decreases) of these two portfolios on the Group's post-tax profit for the year. The analysis is based on the assumption that the equity indexes had increased by 37% and 41% respectively or decreased by 3% and 18%, with all other variables held constant, and that all of the Group's equity instruments moved in line with the portfolio.

	Impact on post tax profit	
	2024	**2023**
Allied Gold Corporation – Increase by 37%	118,605	348,280
Allied Gold Corporation – Decrease by 3%	9,617	(28,239)
Commercial International Bank – Increase by 41%	-	2,041
Commercial International Bank – Decrease by 18%	-	(896)

(iii) Fair value and interest rate market risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain at least 90% of Egyptian Refining Company S.A.E syndicate borrowings at a fixed rate using interest rate swaps to achieve this when necessary. During the year ended 31 December 2024 and 31 December 2023, the Group's borrowings at variable rates were mainly denominated in Egyptian Pounds and US Dollars.

The Group's borrowings and receivables are carried at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

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

Financial risk management (continued)

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

The exposure of the Group's borrowing to interest rate changes and the contractual at the end of the reporting period are as follows:

	2024	% of loans	2023	% of loans
Variable rate borrowings	91,503,317	99.98%	70,673,836	99.86%

Swaps currently in place cover Nil (2023: 31%) of the variable loan principal outstanding. The fixed interest rate of the swaps was Nil (2023: 2.3475%), and the variable rates of the loans are between 0.0011% and 0.0087% above the 90-day bank bill rate which, at the end of the reporting period, was 5.67953% (2023: 5.1869%).

The swap contracts require settlement of net interest receivable or payable every 180 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

	2024	2023
Interest rate swaps		
Carrying amount (current and non-current)	-	9,106,499
Notional amount	-	129,446
Maturity date	-	20-Dec-2024
Hedge ratio	-	31%
Change in fair value of outstanding hedging instruments since 1 January	-	262,793
Change in value of hedged item used to determine hedge effectiveness	-	17,768,713
Weighted average hedged rate for the year	-	2.3475%

Cash flow Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates:

A reasonably possible change of 600 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Fair value sensitivity analysis for variable-rate instruments

	Impact on post tax profit	
	2024	2023
Interest rate-increase by 2% (2023 : 6%)	155,448	482,625
Interest rates-decrease by 2% (2023 : 6%)	(155,448)	(482,625)

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

Financial risk management (continued)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Derivatives financial risk management

The Group uses derivative financial instruments to hedge certain risk exposures. Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

The Group has the following derivative financial instruments:

	2024	2023
Non-current assets		
Derivative financial instruments	1,309,428	1,926,709
Interest rate swap contracts – cash flow hedges	-	-
Total non-current derivative financial instrument assets	**1,309,428**	**1,926,709**
Current assets		
Interest rate swap contracts – cash flow hedges	-	129,446
Total current derivative financial instrument assets	**-**	**129,446**
Non-current liabilities		
Written call option agreement	-	2,322
Total non-current derivative financial instrument liabilities	**-**	**2,322**

(i) Classification of derivatives

Derivatives are accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting year.

The Group's accounting policy for its cash flow hedges is set out in note 28(m).

All derivative financial instruments are represented in interest rate swaps which have maturities of more than twelve months and are classified within 'non-current assets/liabilities.

Financial risk management (continued)

(ii) Hedge ineffectiveness

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, such as all or some future interest payments on variable rate debt or a highly probable forecast transaction and could affect consolidated profit or loss.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective. Except for ERC Hedges.

In hedges of interest rate swap, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty. It may occur due to:

- The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- Differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during the year ended 31 December 2024 in relation to the interest rate swaps.

(iii) Hedging reserves

The Group's hedging reserves movement disclosed in note 7(c).

Libor reform

With reference to the IFRS Accounting Standards in relation to the interest rate benchmark reform which is not available in the Egyptian Accounting Standards, the Phase I amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing interest rate benchmark reforms.

The Phase II amendments address issues that might affect financial reporting during the reform of interest rate benchmarks, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate.

Financial risk management (continued)

The application of the amendments impacts the Company's accounting in relation to a proportion of US dollar denominated fixed rate debt which is fair value hedged using US dollar fixed to US dollar LIBOR interest rate swaps. The Company has in the past undertaken and may in the future also undertake, cash flow interest rate hedges as part of its interest rate risk management policy which may also expose the Company to US dollar LIBOR interest rates.

The amendments permit continuation of hedge accounting even if in the future the hedged benchmark interest rate, US dollar LIBOR, may no longer be separately identifiable. However, this relief does not extend to the requirement that the designated interest rate risk component must continue to be reliably measurable. If the risk component is no longer reliably measurable, the hedging relationship is discontinued.

The Company chose to adopt the Phase I amendments. Adopting these amendments allowed the Company to continue hedge accounting during the period of uncertainty that arose from interest rate benchmark reforms. The Phase II amendments are not yet adopted given that they have not reformed or replaced any existing interest benchmarks within the Company's financial instruments.

26(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade receivables and other debit balances and amounts due from related parties. The Group's credit risk is managed as a whole, except for the credit risk related to the customers' account balances, as each of the Group's companies manages and analyses the credit risk of their own customers.

(1) Risk management

Credit risk is managed on a group basis for banks and financial institutions, only high-credit-quality and rating banks and financial institutions are accepted.

For the new customers, their credit risk is analysed before standard payment and delivery terms and conditions are agreed upon with customers.

If trade receivables are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience, and other factors. Credit limits are set for each customer based on internal and external credit limits in accordance with limits set and approved by the board. The credit limits are regularly reviewed for each individual customer.

The revenue obtained from the major customer of the Group represents 90% of the total Group's revenue.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

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

Financial risk management (continued)

(2) Impairment of financial assets:

Balances exposed to credit risks are as follows:

	2024	2023
Trade receivables	10,072,572	13,394,325
Other receivables	5,807,130	3,545,440
Contract assets	474,741	124,640
Due from related parties	440,513	776,036
Restricted cash	11,215,019	6,927,292
Cash and cash equivalents	2,698,056	1,975,005
	30,708,031	**26,742,738**

Impairment of trade and other receivables movement represented as follows:

	2024	2023
Balance as of 1 January	2,062,403	1,604,497
Formed during the year	52,035	714,781
No longer required	(697,561)	(259,213)
Utilised during the year	(1,780)	(7,465)
Write off	-	(901)
Transfer to assets classified as held for sale	-	(76,910)
Disposal of subsidiary	-	(67,056)
Discontinued operations	-	6,260
Foreign currency translation differences	620,913	148,410
Balance	**2,036,010**	**2,062,403**

Trade receivable and contract assets

The Group applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Financial risk management (continued)

Set out below is the information about the Group's trade receivables and contract assets using a provision matrix:

I) Trade receivables- Governmental

31 December 2024	Exposure at default	Probability of default	Loss given default	Expected credit losses
Governmental Entities	7,833,816	5.417%	47.43%	201,293
	7,833,816			**201,293**

31 December 2023	Exposure at default	Probability of default	Loss given default	Expected credit losses
Governmental Entities	12,122,681	6.814%	47.43%	391,802
	12,122,681			**391,802**

II) Trade receivables- Nongovernment

		Days past due			
31 December 2024	**Current**	**< 30 days**	**Between 31 and 120 days**	**Credit impaired > 120 days**	**Total**
Effective expected loss rate % (Approximated)	0.1%	1.23%	8.58%	42.98%	
Trade receivables - nongovernmental	658,138	857,315	262,575	460,728	**2,238,756**
Expected credit losses	(624)	(10,597)	(22,545)	(198,038)	**(231,804)**
	657,514	**846,718**	**240,030**	**262,690**	**2,006,952**

		Days past due			
31 December 2023	**Current**	**< 30 days**	**Between 31 and 120 days**	**Credit impaired > 120 days**	**Total**
Effective expected loss rate % (Approximated)	3.10%	8.90%	12.95%	66.50%	
Trade receivables - nongovernmental	180,719	205,931	676,453	208,541	**1,271,644**
Expected credit losses	(5,602)	(18,328)	(87,596)	(138,686)	**(250,212)**
	175,117	**187,603**	**588,857**	**69,855**	**1,021,432**

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

Financial risk management (continued)

III) Trade receivables- contract asset

31 December 2024	Current	Days past due < 30 days	Days past due Between 31 and 120 days	Days past due Credit impaired > 120 days	Total
Effective expected loss rate % (Approximated)	-	0%	0%	-	
Contract assets	-	25,138	449,603	-	**474,741**
Expected credit losses	-		(4)	-	**(4)**
		25,138	**449,599**	**-**	**474,737**

31 December 2023	Current	Days past due < 30 days	Days past due Between 31 and 120 days	Days past due Credit impaired > 120 days	Total
Effective expected loss rate % (Approximated)	-	-	0.2%	98%	
Contract assets	-	-	110,858	13,782	**124,640**
Expected credit losses	-	-	(218)	(13,564)	**(13,782)**
	-	**-**	**110,640**	**218**	**110,858**

The loss allowances for trade receivables and contract assets as at 31 December reconcile to the opening loss allowances as follows:

	Government	Non-government	Contract assets	Other receivables	Total 2024	2023
Balance at 1 January	**391,802**	**250,212**	**13,782**	**1,406,607**	**2,062,403**	**1,604,497**
Increase in loan loss allowance recognized in consolidated profit or loss during the year	9,872	17,206	4	24,953	**52,035**	**714,781**
Unused amount reversed	(227,692)	(68,341)	(13,782)	(387,746)	**(697,561)**	**(259,213)**
Utilized during the year		(1,780)			**(1,780)**	**(7,465)**
Receivables written off during the year as uncollectible	-	-	-	-	-	**(901)**
Transfer to assets classified as held for sale	-	-	-	-	-	**(76,910)**
Disposal of subsidiary	-	-	-	-	-	**(67,056)**
Discontinued operations	-	-	-	-	-	**6,260**
Foreign currency translation differences	27,311	34,507	-	559,095	**620,913**	**148,410**
Closing loss allowance at 31 December	**201,293**	**231,804**	**4**	**1,602,909**	**2,036,010**	**2,062,403**

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

Financial risk management (continued)

Significant estimates and judgements

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the countries and oil prices in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Sensitivity

Reasonable changes in inputs/assumptions would not result into significant change in expected credit loss impairment recognised in financial statements.

26(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to shortage of funding. Group's exposure to liquidity risk results primarily from the lack of offset between assets of maturities of assets and liabilities.

The management makes cash flow projections on periodic basis, which are discussed during the Executive Committee's meeting of the parent company, and takes the necessary actions to negotiate with suppliers, follow-up the collection process from customers and manage the inventory balances in order to ensure sufficient cash is maintained to discharge the Group's liabilities. The Group's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

The Group limits liquidity risk by maintaining sufficient bank facilities and reserves, and by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

Financial risk management (continued)

(i) Financing arrangements:

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024	2023
Floating rate	LIBOR +1.5%	LIBOR +1.5%
Expiring within one year	75M EGP	57M EGP

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of financial liabilities

The table below summarises the maturities of the Group's financial liabilities at 31 December 2024 and 31 December 2023, based on contractual payment dates.

	Below six months	From six months to one year	From one year to two years	Above two years
31 December 2023				
Borrowings and interest	66,249,060	13,558,373	1,226,959	1,735,257
Trade payables and other credit balances	11,910,837	3,793,110	73,708	104,243
Due to related parties	-	2,252,603	-	-
Lease Liabilities	110,284	130,498	368,149	819,001
Borrowing from financial leasing entities	77,885	-	-	401,366
Derivative financial instruments	-	-	2,322	-
Financial liabilities at fair value through profit or loss	869,867	-	-	-
Total	**79,217,933**	**19,734,584**	**1,671,138**	**3,059,867**
31 December 2024				
Borrowings and interest	25,465,032	21,471,886	39,790,194	53,234,211
Trade payables and other credit balances	7,951,334	4,248,462	24,417	20,729
Due to related parties	6,146,239	12,772,857	-	-
Lease Liabilities	92,002	138,000	207,296	1,946,397
Borrowing from financial leasing entities	261,248	268,111	325,888	378,004
Derivative financial instruments	-	-	-	-
Financial liabilities at fair value through profit or loss	-	1,571,403	-	-
Total	**39,915,855**	**40,470,719**	**40,347,795**	**55,579,341**

Some of the Group's subsidiaries are currently experiencing liquidity issues which resulted in not meeting certain payments and breaching debt covenants, certain borrowings classified within 6 months are repayable on demand. These are set out in detail in note 5(h) and note 28(a)(iii) on going concern.

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

27. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the financial statements. The Groups also aims to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Group's debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and bank overdrafts less cash and bank balances. The total share capital comprises the amount of equity and net loans.

Capital risk management is monitored by the Group. Currently, some of the Group's subsidiaries have significant liquidity constraints and have defaulted on payments and debt covenants. Assessment of the impact has been set out in note 28(a)(iii) on going concern.

Net debt to total capital ratio

Net debt to total capital ratio as at 31 December 2024 and 31 December 2023 is as follows:

	2024	2023
Total borrowings		
Loans and borrowings	111,372,280	81,456,956
Less: Cash and bank balances	(2,698,055)	(1,975,005)
Net borrowings	**108,674,225**	**79,481,951**
Equity	66,999,382	39,944,358
Total capital	**175,673,607**	**119,426,309**
Net debt to total capital	**62%**	**67%**

28. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are summarised below. They were applied consistently over the presented financial periods unless otherwise stated:

28(a) Basis of preparation

(i) Compliance with EAS

The consolidated financial statements of the Qalaa for Financial Investments "S.A.E." Group have been prepared in accordance with Egyptian Accounting Standards (EAS) [EAS 1 “Presentation of Financial statements”], Egyptian Accounting Standards Interpretations (EAI) and relevant laws. The consolidated financial statements comply with the Egyptian Accounting Standards and its modifications as issued by the Minister of Investment and International Cooperation on 18 March 2019.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets (including derivative instruments) – measured at fair value
- biological assets – measured at fair value, and
- defined benefit plans –measured using the projected credit method.
- Assets and liabilities arising from lease contracts.
- Goodwill.
- Right of use assets
- Lease liabilities

(iii) Critical judgement with respect to the going concern of the Group

As at 31 December 2024, the Group’s current liabilities EGP 70.2 billion (31 December 2023: EGP 106.5 billion) exceeded the current assets of EGP 42.5 billion (31 December 2023: EGP 38.9 billion) by EGP 27.7 billion (31 December 2023: EGP 67.6 billion).

The Group is dependent on and is currently financed by borrowings and bank facilities amounting to EGP 111.4 billion as at 31 December 2024 and has cash and cash equivalents of EGP 13.9 billion (including restricted cash which will be used to serve the debt), out of an overall liability of EGP 161.5 billion in the Consolidated Statement of Financial Position.
Although during the current year, the Group earned a net profit of approximately EGP 8.2 billion and net inflows from operating cash flows of EGP 19.4 billion, the Group’s accumulated losses have increased to approximately EGP 25 billion as at 31 December 2024 (31 December 2023: EGP 21.9 billion). If the Group continues to generate profit which is insufficient to generate sufficient operating cash flows to meet working capital requirements, including to service the finance cost and debt repayment, the Group’s liquidity may be impacted.

Summary of significant accounting policies (continued)

The increase in the loan balance during the year is primarily attributable to the devaluation of the EGP against the USD, rather than new financing. If the USD devaluation continues, this will cause a risk of not being able to settle the foreign currency denominated borrowings.

The financial conditions highlighted above, together with the matters described below, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern:

1. Banking facilities and covenants:

As of 31 December 2024, the Group has breached certain financial covenants on borrowings outlined below. If the Group is unable to remedy breaches of financial or non-financial covenants or the defaulted loans, it will be adversely impacted.

Management is currently in negotiation with the lenders to reschedule the loan and seek waivers but negotiations are still in process.

- One of the subsidiaries – Glassrock for insulation a subsidiary of Asec Company for Mining, breached the loan related to one of the banks. The full loan balance of EGP 1.8 billion has been classified as current liability due to this breach. Management is currently in negotiation with the lender to reschedule the loan and the cash flows for the next 12 months assume that the payment of this balance will not be recalled in full in the next 12 months.

- Qalaa for Financial Investments, the parent company, defaulted in some of the obligations related to local banks. The full amount had been reclassified as current liabilities, subsequent to the year end, the company paid the defaulted portion, and the bank is in the process of assessing the situation.

2. Cash flow projections and business performance

•Although the previously defaulted ERC loans have been successfully restructured during the year, the new repayment terms require significant repayments of EGP 66 billion in 2025 and 2026. Management expects to be able to fulfil the new accelerated repayment schedule from ERC's operational cash flows that are expected to be generated. The cashflow projections related to ERC to cover the current portion of the loan payments amounting to EGP 14.4 billion is impacted by the cash flows generated from the business performance which is sensitive to the movement in oil price. If the oil price decreased by 10%, this will lead to a decline of the cashflow by almost USD 60 million which might impact the dividends to be distributed to Qalaa for Financial Investments to settle other loans. The Group's total borrowings include a significant portion denominated in USD. The increase in the loan balance during the year is primarily attributable to the devaluation of the EGP against the USD, rather than new financing. If the USD devaluation continues, this will cause a risk of not being able to settle the foreign currency denominated borrowings.

Summary of significant accounting policies (continued)

Assessment of cash flow forecasts

Management has prepared detailed cash flow forecasts and business plans for each key subsidiary that support the Group's ability to meet its obligations as they fall due, which is subject to ongoing review and refinement to ensure it reflects the latest business developments and market conditions. These forecasts are based on assumptions regarding operational performance, market conditions, and oil prices. Management has also performed sensitivity analyses on key assumptions and concluded that the Group is expected to remain within its available resources and meet its debt obligations under reasonably possible scenarios. The projected cash flows remain sensitive to even 10% change in the average sales price, cost increases or capacity utilisation, particularly in the energy sector.
The ability of the Group to continue as a going concern is dependent on the successful execution of its business plans and the realization of forecasted cash flows. Accordingly, the consolidated financial statements have been prepared on a going concern basis.
Management considered the following factors and plans when determining if the Group will continue as a going concern in the next twelve months:

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

Operational activities

ERC is a strategic national project with a 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.

In early January 2022, ERC benefited from the increase in oil prices driven by global concerns about oil and gas supplies, further exacerbated by the Russian-Ukrainian conflict. However, starting in 2023, ERC's refining margins dropped, partially reflecting a normalization of oil prices following the significant spike in 2022. Despite the decline in refining margins, ERC's USD-denominated revenue expanded strongly year-on-year. The 2025 financial performance is expected to improve due to the recent hike in oil prices following the conflict in the Middle East.

ERC recorded operating profits of EGP 9 billion, EBITDA of EGP 20.5 billion, and cash inflows from operations of EGP 23.1 billion for the year ended 31 December 2024. Additionally, in July 2023 ERC underwent a planned 17-day production shutdown for the implementation of an overhaul and debottlenecking, which increased production capacity to the tune of 10%.

Summary of significant accounting policies (continued)

For purposes of the cash flow forecast, it is expected that the cash inflows from ERC will continue to improve the generated positive cash inflows. The cash flow forecast is sensitive to changes in supply and demand of oil as well as prices thereof.

- NDT Sudan, Al-Takamol's revenue slightly decreased to EGP 1.74 billion for the year ended 31 December 2024, compared to EGP 1.76 billion for the year ended 31 December 2023. This decline was primarily due to the political turmoil in Sudan, which began in the second quarter of 2023 and significantly impacted both sales and production due to the ongoing armed conflict.

However, starting in the second quarter of 2024, Al-Takamol Cement experienced a robust recovery, reversing the trend of top-line contraction observed in previous quarters. This recovery was largely driven by higher selling prices from May 24, 2024, and increased dispatch levels. The strategic adjustments and market conditions contributed to a notable increase in revenue, showcasing the company's resilience and adaptability in a challenging environment.

- ASCOM and its subsidiaries’ revenue increased from EGP 1.9 billion in the year ended 31 December 2023 to EGP 3.2 billion in the year ended 31 December 2024, mostly driven by the impact of the EGP devaluation on the USD denominated businesses such as ACCM and GlassRock. Management will continue to work towards expanding its exports and pushing ahead with its sales channel diversification strategy by directing its business development efforts towards new export regions. 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. The company is also planning to install additional production lines to expand its production capacity and meet its planned growth targets, with two ball milling lines already scheduled to start production in Q1 2025, which will enhance the future positive operating cash flows of the company.

- Falcon - Dina Farms Holding Company recorded revenue of EGP 3.24 billion in year ended 31 December 2024 compared to EGP 1.9 billion in year ended 31 December 2023. The top-line expansion was driven by improved operations at Dina Farms, as well as ICDP’s revenue benefiting from higher selling prices and new product launches, resulting in positive cash flows of EGP 279 million in the year ended in December 2024. The Company is forecasting an increase in the positive operating cash flows in the coming two years, reflecting its strong market position and strategic initiatives.

- Citadel Capital Transportation Opportunities Ltd. experienced a 43% increase in revenue compared to the previous year. This growth in top-line performance was driven by significant improvements in the company's storage and stevedoring services. Revenue from coal storage rose due to both an increase in storage prices and volume. Additionally, revenue from stevedoring services grew substantially, fueled by a strong rise in the volume of coal and pet coke handled.

Summary of significant accounting policies (continued)

However, the inland container depot revenue was negatively impacted by the turbulence in the Red Sea during the first half of 2024. This disruption forced various shipping lines to switch to alternative routes that bypassed the Red Sea, leading to a decrease in the volume of twenty-foot equivalents handled by the company. Despite this setback, volumes began to recover in the second half of 2024, indicating a positive trend moving forward.

Based on the above, management is confident the Group will continue to generate cash inflows to meet the operational and certain of the liquidity demands on the Group.

Liquidity position

During the past periods, some of the Group's key subsidiaries experienced significant liquidity issues and to address the liquidity issues, management has undertaken the following actions:

1. Egyptian Refinery Company:

Debt Default and Covenant Compliance: ERC had been in default with senior lenders since 31 December 2020, and its subordinated debt became due on 20 June 2023. Despite the subordinated loans becoming due, they were not defaulted because they can only be repaid after the senior debt is fully repaid. In terms of debt covenants, no covenants were breached starting from 30 September 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.

Debt Restructuring: As of December 20, 2024, ERC has successfully restructured its Senior and Subordinated debt. As part of the agreement ERC paid a total of USD 33.3 million in fees and default interest. In addition, ERC made a payment of USD 233.6 million to senior lenders and a total of USD 48.1 million were paid to subordinated lenders as per the restructuring agreement. The net senior debt stands at USD 323 million, down from an initial amount of USD 2.35 billion, which is expected to be fully repaid by December 2025. The subordinated debt currently stands at USD 754 million, with an expected repayment completion by 2030.

Outstanding Loan: ERC has loans outstanding as of 31 December 2024 amounting to EGP 68.6 billion. The senior debt, including interest, stood at EGP 27.5 billion as of 31 December 2024, and the remaining outstanding loans include subordinated loans amounting to EGP 38.3 billion.

During the year ended 31 December 2024, ERC succeeded in paying USD 441 million to the senior lenders as scheduled debt repayment, repayments of interest, and cash sweep. This was a result of the cash generated from operations.

This progress in debt reduction positions ERC to begin distributing dividends to shareholders, with the first anticipated dividend payout expected in 2026.

Summary of significant accounting policies (continued)

ERC remains committed to its financial strategy, which aims to enhance sustainable growth and achieve long-term financial stability. The company continues to work on improving its financial and operational performance, delivering added value to shareholders through prudent investments and effective resource management. Additionally, ERC seeks to strike an ideal balance between growth and dividend distribution, ensuring it provides attractive returns to shareholders while strengthening its ability to continue expanding and developing its business in the future.

2. Qalaa and its fully owned subsidiaries:

- On 31 March 2024, Qalaa closed an agreement with Financial Holdings International Ltd (FHI), a shareholder in several affiliates of Qalaa, and a creditor to Qalaa and some of its affiliates. The agreement settled most of the liabilities owed by Qalaa and certain of its affiliates to FHI and transferred the shareholding of FHI in several Qalaa affiliates to Qalaa. FHI has discharged the shareholder loan owed by Qalaa's subsidiaries, which positively impacted the financials (note 3(b)). This action alleviates the burden of interest rates and foreign exchange, as the debts were denominated in USD.

- On 30 May 2024, Qalaa's general assembly approved the offer submitted by Qalaa Holding Restructuring Ltd "QHRI", to purchase the external debt owed by Qalaa to certain banks and financial institutions participating in the syndicated loan agreement. The opportunity to participate in the debt purchase was offered to all Qalaa shareholders via the funding of QHRI against a debt note issued by the latter. The Purchased Senior Debt was concluded effective on 30 June 2024 and the participating Qalaa shareholders will henceforth be the beneficial holders of the Purchased Senior Debt. The debt will then be extinguished by Qalaa in the form of a capital increase providing the participating shareholders repayment in the form of shares in Qalaa or cash or a combination thereof. The Group achieved significant progress in increasing its capital. For more details refer to 31 (C).

- On 8 May 2024, the Group signed a debt settlement agreement in relation to debt held in Qalaa amounting to EGP 4.5 billion with Banque Misr, Banque du Caire, Arab African International Bank, and Al Ahli Bank of Kuwait. The terms of this debt settlement resulted in the settlement of the loan against the sale of certain assets contingent on meeting the terms of the agreement. The agreement came into effect in the third quarter after the condition precedent had been met. During the year ended 31 December 2024, the group did not comply with some of these conditions, and accordingly the company presented the loan balances amounted to 8.9 as current liabilities.

- On 8 May 2024, Qalaa signed an agreement with the Arab International Bank for the settlement and restructuring of the debts owed by Qalaa and related parties over a period extending to 2033. The agreement came into effect in the third quarter after the condition precedent had been met. The Group also restructured a debt for Arab Company for Financial Investments with a remaining final installment amounting to EGP 13.7 million. This strategic move is expected to significantly improve the Group's liquidity position and strengthen its relationships with financial institutions

Summary of significant accounting policies (continued)

3. National Company for Development and Trading (Cement):

During the year ended 31 December 2023, the Group settled the outstanding loan due from National Company for Development and Trading to Arab International Bank, MID Bank, and Industrial Development Bank with a total of EGP 1.4 billion. During the first quarter of 2024, the Group has restructured the remaining debt due to Qatari National Bank with a total of EGP 559 million. The Company has been diligent in meeting its payment obligations on time, with two remaining instillments totalling EGP 44.5 million not yet due. These strategic restructurings and settlements have not only alleviated the debt burden but also positively impacted on the company's cash flows, providing it with the necessary breathing space to focus on growth and operational efficiency. This improved liquidity position is expected to enhance the Group's financial health and support its long-term strategic objectives.

4. ASCOM (Mining Sector):

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 on 30 September 2027. This resulted in additional funds to settle obligations.

As of 31 December 2024, Glassrock defaulted on two installments, resulting in a breach of its restructuring agreement. Consequently, its total debt was reclassified as current liabilities.

Based on the above, management succeeded concluded the debt negotiations and restructuring for ERC, Qalaa and its wholly owned subsidiaries, reducing breaches and defaults from EGP 50 billion on 31 December 2023 to EGP 10.7 billion by 31 December 2024.

Other initiatives

- Management will continue to focus on the 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 cash flows, 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 flow during the year ended 31 December 2024.

Summary of significant accounting policies (continued)

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, consolidated financial statements of the Group for the Year ended 31 December 2024 have been prepared on a going concern basis.

(iv) Classification of assets and liabilities

The Group presents its assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. The asset is classified as current when it is:

* Expected to be realised or intended to be sold or used in normal operating course;
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period, or
* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The liability is classified as current when:

* It is expected to be settled in normal operating course;
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period, or
* The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

Summary of significant accounting policies (continued)

28(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Acquisition method

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised within the consolidated statement of profit or loss.

Summary of significant accounting policies (continued)

Changes in ownership interests held within controlling interests

When the ratio of equity held within controlling interests' changes, the Group changes the amounts recorded for controlling and non-controlling shares to reflect such changes in the relevant shares in the subsidiary. The Group recognises directly within the equity of the parent company any difference between the amount of changing the non-controlling shares and the fair value of the consideration paid or received.

Disposal of subsidiaries

When the Group ceases to have control, the Group recognises any retained investment in the company that was a subsidiary at its fair value at the date when control is lost, with the resultant change recognised as profit or loss attributable to the owners of the parent company.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, and contingent liabilities at the date of acquisition. If the consideration transferred, non-controlling interest in the acquiree and the date of acquisition fair value of the Group's equity previously held at the acquiree is less than the net of the identifiable acquired assets and liabilities assumed at the date of acquisition, the Group recognises the resulting gain is directly recognized in consolidated statement of profit or loss at the date of acquisition and the gains are attributed to the parent shareholders.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored inside the Group at the operating segments level.

The Group undertakes impairment reviews of goodwill acquired in a business combination annually by comparing the CGU carrying amount including goodwill with its recoverable amount, which is the higher of fair value less costs of sale and value in use. The Group recognises any impairment loss immediately in profit or loss and is not subsequently reversed.

Measurement period

The measurement period is the period required for the Group to obtain the information needed for initial measurement of the items resulting from the acquisition of the subsidiary and does not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, amendment is made retrospectively for the amounts recognised at the date of acquisition.

Summary of significant accounting policies (continued)

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated financial position.

Changes in ownership interest

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the reduction rate of the amount of profit or loss previously recognised in other comprehensive income is reclassified to profit or loss when relevant assets or liabilities are disposed of.

Losses of equity-accounted investment

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group ceases to recognise its share in further losses. Once the Group's share is reduced to zero, further losses are recognised but only to the extent of incurred legal or constructive obligations or made payments on behalf of the other entity. When those companies realise profits in subsequent years, the Group resumes to recognise its share in those profits, but only after its share of profits equals its share in unrecognised losses.

Transactions with equity-accounted investment

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Goodwill resulting from investment in equity-accounted entities

The excess of the total transferred consideration over the Group's share in the net fair value for the acquired determinable assets and assumed liabilities at the date of acquisition is recognised as goodwill. The goodwill resulting from contribution in associates is recognised within the cost of investment in the entity net of the accumulated impairment losses in the investment value of associates and is not recognised separately.

Summary of significant accounting policies (continued)

Impairment of equity-accounted investment

Investments in associates are assessed for impairment where indicators of impairment are present. The recoverable amount of an investment in an associate is the higher of value in use or fair value less costs of disposal and is assessed separately for each associate. Any resulting impairment loss is not allocated against the notional goodwill and purchase price allocation, but against the investment as a whole. Therefore, any reversal of the conditions led to recognising the impairment losses will be recognised to the extent in which the recoverable amount subsequently increases, provided it does not exceed the impairment losses previously recognised.

28(c) Foreign currency transactions

(i) Functional and presentation currency

The financial statements of each of the Group's entities are measured and presented using the currency of the primary economic environment in which the entity operate (‘the functional currency’). The consolidated financial statements are presented in thousand Egyptian Pounds, which is the Group’s presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Summary of significant accounting policies (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments in foreign currencies designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iv) Financial reporting in Hyperinflationary Economies

The Sudanese and South Sudanese economies have been classified as hyperinflationary. The Egyptian Accounting Standards do not address financial reporting in hyper-inflationary economies. Therefore, the Group applied IAS 29 “Financial reporting in hyper-inflationary economies”, under which the financial statement of Al-Takamol for Cement Company has been expressed in terms of the measuring unit current at the reporting date.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. Gains or losses on the net monetary position are recognised in consolidated profit or loss.

An impairment loss is recognised in profit or loss if the restated consolidated amount of a non-monetary item exceeds its estimated recoverable amount.

All items recognised in the consolidated statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

Summary of significant accounting policies (continued)

The application of the restatement procedures of IAS 29 has the effect of amending certain of the accounting policies, which are used in the preparation of the consolidated financial statements under historical cost convention. The amended policies include:

- Fixed assets.
- Project under construction.
- Inventories.

28(d) Fixed assets

The Group applies the cost model at measurement of fixed assets. All fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Group are disclosed in note 6a(i).

The Group reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each fiscal year and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than it's carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the net book value of the item, and the gain or loss resulting from the disposal of fixed assets is included in the consolidated statement of profit or loss.

Summary of significant accounting policies (continued)

28(e) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 28(b). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 8).

(ii) Trademarks, licenses and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. (Trademarks have indefinite useful life)

(iii) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Summary of significant accounting policies (continued)

(iv) Research and development

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(v) Amortisation methods and periods

Refer to note 6(c)(i) for details about amortisation methods and periods used by the Group for intangible assets.

28(f) Biological assets

Biological assets are measured at fair value less cost to sell. Cost to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers, and estimated costs of transport to the market but excludes finance costs and income taxes.

Cattles held for slaughter are classified as immature until they are ready for slaughter. Livestock are classified as current assets if they are to be sold within one year.

The fruit gardens and orchards growing on the trees are accounted for as biological assets until the point of harvest. Harvested Fruits are transferred to inventory at fair value less cost to sell when harvested.

Change in fair value of livestock and fruit gardens and orchards on trees are recognized in the consolidated statement of profit or loss.

Farming cost such as feeding, labour cost, pasture maintenance, veterinary services and sheering are expensed as incurred. The cost of purchase of cows plus transportation charges are capitalized as part of biological assets.

28(g) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the consolidated statement of profit and loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Summary of significant accounting policies (continued)

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Impairment losses recognised in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Reversal of loss of should not exceed the carrying amount that would have been determined (net of depreciation). Such reversal is recognised in the statement of profit or loss.

28(h) Non-current assets or disposal groups held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, and financial assets that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

28(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, that are incurred by the Group in bringing the inventories to their present location and condition but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period when the write-down or loss occurs.

Summary of significant accounting policies (continued)

28(j) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- Those to be measured at amortized cost. The Group's financial asset at amortized cost comprise of trade receivables, other debit balances and treasury bills.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated profit or loss.

(1) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Summary of significant accounting policies (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through consolidated statement of OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the consolidated profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in consolidated statement of OCI is reclassified from equity to consolidated statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated profit or loss and presented net within other gains/(losses) in the period in which it arises.

(2) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

Expected credit loss (ECL) measurement

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes.

ECL measurement is based on four components used by the Group: probability of default ("PD"), exposure at default ("EAD"), loss given default ("LGD") and discount rate.

Summary of significant accounting policies (continued)

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof. Expected credit losses are modelled over instrument's lifetime period. The lifetime period is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any.

The ECLs that are estimated by management for the purposes of these consolidated financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

Assessment of the SICR

The assessment whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an individual basis and on a portfolio basis. For other receivables and balances due from related parties, SICR is assessed on an individual basis by monitoring the triggers stated below. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the Group's Risk Management Department. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

The Group considers a financial instrument to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.
For other receivables and balances due from related parties:
- 30 days past due;
- award of risk grade "Special monitoring";
- SICR based on relative threshold based either on external ratings or internal ratings.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. The Group has identified the GDP of the countries and oil prices in which it sells its goods and services to be the most relevant factors, and accordingly these have been considered in the assessment of SICR and determination of ECL.

Summary of significant accounting policies (continued)

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group defines default as a situation when the exposure meets one or more of the following criteria:
- international rating agencies have classified the borrower in the default rating class;
- the borrower meets the unlikeliness-to-pay criteria listed below:
- the borrower is in breach of financial covenant(s);
- it is becoming likely that the borrower will enter bankruptcy; and
- the loans were purchased or originated at a deep discount that reflects the incurred credit losses.

The default definition stated above is applied to all types of financial assets of the Group.

28(k) Income recognition

Interest income
Interest income from financial assets at FVPL is included in the net fair value gains /(losses) on these assets, see note 14. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Dividends income
Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

28(l) Offsetting financial asset and liability

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Group has an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default of the counterparty and should reflect the Group's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Group's cash flows.

Summary of significant accounting policies (continued)

28(m) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes as well as movements on the hedging reserve in other comprehensive income are disclosed in note 7(c). The full fair value of a hedging derivative is classified as a non-current asset or non-current liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or current liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives, if any, are classified as a current asset or current liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within ‘other gains/ (losses) – net’.

Amounts in equity relating to the effective portion of interest rate swaps hedging variable rate borrowings are recognized in the consolidated statement of profit or loss within “finance costs“.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the previously hedged item or forecast transaction is ultimately recognized in the statement of profit or loss. When a hedged item expires or terminated or when a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of profit or loss within ‘other gains/(losses) – net’.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss as the gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in profit or loss within finance cost at the same time as the interest expense on the hedged borrowing.

Summary of significant accounting policies (continued)

28(n) Financial guarantee contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

The amount determined in accordance with the expected credit loss model under EAS 47 “Financial Instruments” and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of EAS 48 “Revenue from Contracts with Customers”.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

28(o) Trade receivables

Trade receivables are amounts due from the Group's customers for merchandise sold or services performed in the Group's ordinary course of business. If collection is expected within 12 months from the date of the financial statements or in the Group's normal operating cycle of the business, they are classified as current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

28(p) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and with banks, deposits held at call with banks, other short-term investments with original maturities of not more than three months from the date of placement that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

28(q) Capital

Ordinary shares are classified within equity. Share premium, if any, are added to legal reserve to the extent of half of the issued capital, and the remaining balance of the premium is transferred to a special reserve, after deducting the shares issuance expenses (net of any advantage related to their income taxes) from the amount of share premium.

Where any Group company repurchases the Company’s equity instruments (treasury shares), the consideration paid or received in exchange for those instruments, including any directly attributable incremental transaction costs (net of income tax) is deducted from the equity attributable to the owners of Qalaa for Financial Investments Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Qalaa for Financial Investments Company.

Summary of significant accounting policies (continued)

28(r) Preferred shares

The Company's non –redeemable preferred shares are classified as equity, because they bear discretionary voting power only, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments.

28(s) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge for the period is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management annually evaluates tax positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Summary of significant accounting policies (continued)

28(t) Employees' benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

ii. Pension obligations

The Group pays contributions to publicly administered pension insurance plans on a mandatory basis in the countries it operates. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and as such are included in staff costs. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iii. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of EAS 28 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are initially measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

iv. Employees' share in legally defined profits

In accordance with EAS (38) "Employees Benefits" and Company's articles of association, the Group recognises the employees' share in cash dividends as deduction from equity in a similar manner to dividends paid to the Group owners, and as liabilities when the shareholders of the company approve the dividends in their General Assembly Meeting. The Group does not record any liabilities for the employees' share of undistributed profits.

Summary of significant accounting policies (continued)

28(u) Leases

The Group's leasing activities and how these are accounted for

The Group leases various lands, buildings, gas stations, electricity connections, quarries and stores. Rental contracts are typically made for fixed periods of 12 months to 15 years. Lease terms are negotiated on an individual basis. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the component, which does not have recent third-party financing.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Summary of significant accounting policies (continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of trivial lease value.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), the group don't have termination and extension in their contracts.

28(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the consolidated financial statements.

28(w) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The Group recognises other borrowing costs as expenses in the year the Group incurs such costs.

Summary of significant accounting policies (continued)

28(x) Shareholder's reserve

Loans provided to Egyptian General Petroleum Corporation (EGPC) to purchase shares in Egyptian Refining Company (ERC), a wholly owned subsidiary, are deducted from equity and accounted for as an equity-settled share-based payment.

The fair value of the option granted to EGPC is recognized as a share-based payment with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted and the option issued to EGPC vests immediately.

28(y) Provisions, contingent liabilities and contingent assets

i. Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group recognises the commitments required for restructuring and not related to the Group's effective activities within the costs of the provision of restructure.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss.

ii. Contingent liabilities

Contingent obligation is a present obligation that arose due to past events and was not recognised because it was not expected to have an outflow of resources embodying economic benefits to settle the obligation, or the amount could not be reliably estimated. Instead, the Group disclosed its contingent liabilities in its note to the consolidated financial statements.

iii. Contingent assets

A contingent asset is a possible asset that may arise from past events because of occurring or non-occurring of contingent future events that are not under the Group control. The Group recognises the contingent assets in the statement of financial position when the realisation of the relevant revenue is certain. Contingent assets are disclosed only when there is a possibility of inflow of economic benefits.

Summary of significant accounting policies (continued)

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Group, the reimbursement should be recognised as a separate asset in the statement of financial position, when, and only when, it is virtually certain that reimbursement will be received if the Group settles the obligation. The amount recognised should not exceed the amount of the provision.

28(z) Trade payables

Trade payables are recognised initially at the amount of goods or services received from others, whether they received invoices or not. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflow expected by using interest rate of similar loans. Trade payables are then carried at amortised cost using the effective interest rate.

28(aa) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Board, consisting of:

Ahmed Heikal
Chairman & Founder

Hisham El-Khazindar
Co-Founder & Managing Director

Tarek Elgammal
Chief Financial Officer

Karim Sadek
Board Member, Head of Transportation & Logistics

The Management Board convenes on a quarterly basis, or more frequently if needed, and is responsible for reviewing, amending, and endorsing the subsidiary companies’ financial performance and overall strategy.

The management board assesses the performance of the operating segments based on the total revenues / the operating profit / the total assets of segment / the total liabilities and equity of segment. This measurement basis excludes discontinued operations. Interest income and expenditure are allocated to segments, as this type of activity is driven by the Group's head office, which manages the cash flows and liquidity requirements.

Summary of significant accounting policies (continued)

28(bb) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold or service rendered within the Group's normal course of business. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered accurately measurable unless all cases of uncertainty regarding the possibility of the collection of the amount due are excluded. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i. Sales of goods

Revenue is recognised from the sale of goods to traders or contractors who have the right to sell them and determine their prices when the goods are delivered to them.

Sales are recognised when control of the products has transferred, being when the products are delivered to the traders or contractors, the traders or contractors have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the traders or contractor's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the traders or contractors, and either the traders or contractors have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, based on actual volume, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 90 days, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

ii. Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants are recognised under other income in the statement of profit or loss.

Summary of significant accounting policies (continued)

iii. Dividends

Dividends are recognised as liabilities in the consolidated financial statements for the amount of any dividend declared, being appropriately authorised by the Company's General Assembly of Shareholders and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

28(cc) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (Note 22).

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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

Summary of significant accounting policies (continued)

29. Summary of material modifications of the Egyptian Accounting Standards 2024

On 3 March 2024, The Prime Minister issued Resolution No. 636 of 2024, amending some provisions of the Egyptian Accounting Standards, which include some new accounting standards and amendments to some existing standards. Accordingly, these amendments to accounting standards were published in the Official Gazette on 3 March 2024. The most significant amendments are summarized as follows, which will be implemented for financial periods beginning on or after 1 January 2024.

Accounting standard	Amendment summary	Application date
Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" *	**"Scope of the standard"** The scope of the standard has been amended to include "determining the spot exchange rate when exchangeability between two currencies is lacking." Early application is permitted, and if the entity performed an early application, this shall be disclosed. **"Measurement"** - A currency that is difficult to exchange with another currency at the measurement date may later become exchangeable with that other currency, and the entity may conclude that the first subsequent exchange rate meets the conditions mentioned in paragraph 19A, and when the price does so, the entity may use this price as the estimated spot exchange rate. When there is difficulty in exchanging a currency for another currency on the measurement date, the entity must estimate the spot exchange rate on that date, and the estimated spot exchange rate must meet the estimated conditions on the measurement date. -When estimating the spot exchange rate as required under paragraph (19A), an entity shall use an observed exchange rate as the estimated spot exchange rate when that observed exchange rate meets the conditions provided in paragraph (19A). **"Disclosures"** Some new disclosures have been added to the spot exchange rate.	The Group must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.
Egyptian Accounting Standard No. (17) "The Separate financial statements	**"Scope of the standard"** The scope of the standard has been amended to include "the use of the equity method in accounting for investments in subsidiaries, associates and joint companies." Early application is permitted, and if the entity performed an early application, this shall be disclosed. **"Measurement"** - when an entity prepares separate financial statements, it must account for investments in subsidiaries, in entities under common control, and in sister companies: 1- At cost 2- According to Egyptian Accounting Standard No. (47) Financial Instruments 3- Using the equity method as described in Egyptian Accounting Standard No. (18) Investments in Associated Companies.	The entity must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.

Notes to the consolidated financial statements
For the year ended 31 December 2024

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

Accounting standard	Amendment summary	Application date
	The entity must apply the same accounting treatment to each category of investments. If the entity classifies investments recorded at cost or uses ownership rights as assets held for the purpose of sale or distribution (or within a group of assets being disposed of and held for sale) in accordance with Egyptian Accounting Standard No. (32), non-current assets held for the purpose of sale and discontinued operations. The facility must account for that investment from the date of that classification in accordance with Egyptian Accounting Standard No. (32). As for investments that are accounted for in accordance with Egyptian Accounting Standard No. (47), their measurement will not change in such cases. **"Disclosures"** Some new disclosures have been added.	
Egyptian Accounting Standard No. (34) "Investment in properties	**"Scope of the standard"** The scope of the standard has been amended to include: "An entity must choose either the fair value model or the cost model as its accounting policy and must apply that policy to all of its investment in properties. Early application is permitted, and if the entity performed an early application, this shall be disclosed. **"Measurement"** - "Fair Value Model" After initial recognition, the entity must measure all its investment in properties at fair value - the gain or loss arising from the change in fair value must be included in the profit or loss for the period in which this change arises or through other comprehensive income for one time in the life of the asset or investment - in the event that the book value of investment in properties increases as a result of evaluating it at fair value, and the increase is recorded in other comprehensive income and collected within equity under the title of investment in properties evaluation surplus at fair value. However, the increase must be proven from profit and loss to the extent that it reflects a decrease. In evaluating the same investment, it was previously recognized in profit and loss. **"Disclosures"** Some new disclosures have been added.	The entity must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.

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

Summary of material modifications of the Egyptian Accounting Standards 2024 (continued)

* The Group has applied Paragraph "57A" of Egyptian Accounting Standard No. 13 issued on 3 March 2024, due to foreign currencies lack of exchangeability to meet its obligations in foreign currencies from Egyptian banks. Therefore, the Group has decided to use the first exchange rate at which the Group can obtain foreign currencies. Below is the real-time exchange rate used by the Group subsidiaries:

Foreign currency	EGP observable price used
United states dollar (USD)	49.5
Euro	53.85

The following table represents the book value of monetary assets and monetary liabilities affected on 1 January 2024 and their effect:

Description	Foreign currency	Balance in foreign currency	Effect on accumulated losses (EGP)	Effect on non-controlling interests (EGP)	Total effect on equity (EGP)
Monetary assets	USD	11,856	149,955	79,044	**228,999**
Monetary liabilities	USD	(628,170)	(9,069,416)	(2,587,937)	**(11,657,353)**
Monetary assets	Euro	1.6	86	-	**86**
Monetary liabilities	Euro	(24,813)	(490,216)	-	**(490,216)**
Net			**(9,409,591)**	**(2,508,893)**	**(11,918,484)**

The management did not recognize the related deferred tax assets in respect of the unrealized foreign losses due to doubt of recoverability.

B) The Prime Minister issued Decision No. (3527) and (3528) of 2024 on 23 October 2024, adding a new standard in the Egyptian Accounting Standards EAS 51 "Hyperinflation". The new standard was published in the Official Gazette on 23 October 2024. The Egyptian economy is not yet considered to be a hyperinflationary economy.

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

30. Significant events

A) The Group had indirect investments in Rift Valley Railways (Kenya) Limited (RVRK) and Rift Valley Railways (Uganda) Limited (RVRU) through its subsidiaries. Since 2011, RVRK and RVRU operated two railway concessions under 25-year agreements with the governments of Kenya and Uganda.

In July 2017 and January 2018, the governments of Kenya and Uganda terminated these concessions due to defaults in payments and non-compliance with key performance indicators. Consequently, the governments took over the assets of RVRK and RVRU, leading the Group to recognize an impairment of EGP 3.25 billion in 2017.

By January 2018, the Group concluded that it had lost any future economic benefit from the railways, resulting in the cessation of operations and loss of control over RVRK and RVRU. The Group was unable to obtain financial information for these entities.

In December 2018, ex-employees filed a legal case against Africa Railways Limited (ARL) for settlement of dues. ARL was unable to respond due to insufficient funds, leading to an application for liquidation in March 2019. The Group deconsolidated these entities in 2018, recognizing a gain of EGP 3.9 billion. The loan agreements indicated no further recourse to Qalaa for Financial Investments.

In accordance with paragraph no. 25 of the Egyptian Accounting Standard no. 42, and as a result of loss of control over the railways concession, Group management deconsolidated those entities during the year ended 31 December 2018 which resulted in a gain recognized in the consolidated statement of profit or loss of EGP 3.9 billion in that year, as set out in the table below.

Furthermore, the loan agreements and related finance documents entered into between the subsidiaries of ARL and its financiers indicated that on deconsolidation there would be no further recourse to Qalaa for Financial Investments as a legal entity. Accordingly, Qalaa for Financial Investments had not provided for any financial guarantees or other credit enhancements, having remained in compliance with all conditions of the financing documents.

Deconsolidation of ARL gain recognised during the year ended 31 December 2018 as follows:

	31 December 2018
Liabilities related to subsidiaries derecognised – ARL and KURH	3,867,343
Liabilities related to subsidiaries derecognised – RVRK and RVRU	1,166,642
Liabilities related to subsidiaries derecognised – ARLL	276,265
Release of the translation reserve	(863,427)
Non-controlling interest derecognized	(483,422)
	3,963,401

Significant events (continued)

B) In April 2023, an intense armed conflict erupted in Sudan, causing severe unrest throughout the country. Due to safety concerns, dispatches from Al-Takamol Cement were halted from April 17, 2023, until May 2, 2023, and resumed on May 3, 2023, albeit at a lower daily average.

Starting the second quarter of 2024, Al-Takamol Cement experienced a strong recovery, overturning a trend of top-line contraction witnessed during the past quarters due to the ongoing armed conflict in Sudan. Increase in revenue, driven largely by higher selling prices from May 24, 2024, and increased dispatch levels.

It is worth noting that the staff and assets of Qalaa's Sudan affiliate, Al-Takamol Cement, are safe and continue to operate at normal capacity. Qalaa continues to closely monitor the ongoing developments in the country. Refer to note 31 (B) for more details.

C) The conflict in Gaza, which erupted on 7 October 2023, had a significant impact on the Egyptian economy as well as consumer trends. The Group conducted an assessment of the key impacts of the conflict on the economy, which included a level of disruptions in the supply chain due to the conflict's impact on navigational routes in the Red Sea. This led to a general increase in shipping prices because of the increase in insurance and shipping costs. The Group was mildly affected by supply chain disruptions during the year ended 2023, as there was a low reliance on the shipment coming through the Red Sea. The Group has taken steps to ensure the Group is not affected in the short term, but due to the uncertainty and liquidity of the situation, the total impact in the medium and long term is undetermined.

D) The Monetary Policy Committee of the Central Bank of Egypt decided to raise the interest and lending rates by 200 basis points on 1 February 2024, then by 600 basis points on 6 March 2024. The credit and discount rate were also raised by 600 basis points on 6 March 2024.

E) On 23 February 2021, one of the Group's subsidiaries Arab Swiss Engineering Company (ASEC Engineering) (a subsidiary of NDT Group) filed an arbitration case against one of its customers at the Cairo Regional Centre for International Commercial Arbitration (CRCICA). On 5 September 2022, the arbitral tribunal rendered an award in favour of ASEC Engineering. On 21 April 2024, the two parties agreed that the customer would pay ASEC Engineering a sum of EGP 260 million and put their dispute to rest.

Significant events (continued)

F) Company's ordinary general assembly decided on 30 May 2024 to approve the offer submitted by Qalaa Holding Restructuring Ltd "QHRI" (a company that was established in accordance with the laws of the British Virgin Islands) by the owners of Citadel Capital Partners Ltd. (the "main shareholder" of Qalaa) to purchase the external debt owed by Qalaa to certain banks and Financial institutions participating in the syndicated loan agreement dated 1 February 2012 ("the Syndicated loan") signed between Qalaa and a group of local and international banks and institutions. This purchase will be at an amount equivalent to 20% of the remaining principal balance of the lenders' share who accepted the purchase offer in the Syndicated loans payable in USD in an international bank account selected by the accepting lenders. The opportunity to participate in the debt purchase was offered to all Qalaa shareholders via the funding of QHRI against a debt note issued by the latter. The Purchased Senior Debt was concluded effective 30 June 2024 and the participating Qalaa shareholders will henceforth be the beneficial holders of the Purchased Senior Debt. The debt will then be extinguished by Qalaa in the form of a capital increase providing the participating shareholders repayment in the form of shares in Qalaa or cash or a combination thereof. Such agreement serves to reduce Qalaa's debt levels and financing costs. Refer to note 31 (C) more details.

G) On 31 March 2024, Qalaa announced the closing of an agreement with Financial Holdings International Ltd (FHI), a shareholder in several affiliates of Qalaa, and a creditor to Qalaa and some of its affiliates.

The share purchase and debt assignment agreement settled most of the liabilities owed by Qalaa and certain of its affiliates to FHI and transferred the shareholding of FHI in several Qalaa affiliates to Qalaa.

Pursuant to the agreement, FHI transferred its shares in some of Qalaa's affiliates to Qalaa including its shares in National Development and Trade Company SAE (NDT, the holding of the ASEC group of companies operating in the cement and related industries sector), and United Company for Foundries SAE, bringing Qalaa's ownership in these two companies to approximately 100%; as well as FHI's shares in Citadel Capital Transportations Opportunities Ltd (CCTO), Qalaa's logistics arm. FHI also discharged most of Qalaa Group's liabilities and obligations and returned all associated collaterals and guarantees. Moreover, it assigned to subsidiaries of Qalaa the debts of:

- National Development and Trade Company with a balance of $192 million as of 31 December 2023
- United Company for Foundries, with a balance of $8 million as of 31/12/2023

This settlement serves to reduce the Group's debt levels and financing costs.

On 27 March 2024, Qalaa transferred to FHI its indirectly owned shares (27.21%) in National Printing Company S.A.E. (a subsidiary of Grandview), with Qalaa retaining a call option to purchase back this stake within two years.

Significant events (continued)

Furthermore, the two companies signed an agreement giving Qalaa the right, but not the obligation, to buy FHI's stake in ASCOM Mining Company, exercisable between the end of September 2024 and the end of December 2025, with such purchase to be implemented in accordance with the applicable Egyptian Capital Market Law requirements.

H) Qalaa has signed a debt settlement agreement with Banque Misr, Banque du Caire, Arab African International Bank, and Al Ahli Bank of Kuwait. Additionally, a restructuring agreement has been signed with Arab International Bank. Refer to note 5h for more details.

I) As of December 20, 2024, ERC successfully finalized its Senior and Subordinated debt Restructuring. As part of the agreement, ERC paid a total of USD 33.3 million in fees and default interest related to the debt restructuring process. In addition, as part of its scheduled debt repayment, ERC made a payment of USD 233.6 million to senior lenders, consisting of USD 197 million in principal repayment and USD 36.6 million in interest and fees. Furthermore, a total of USD 48.1 million were paid to subordinated lenders as per the restructuring agreement.

Following the completion of this restructuring and the above-mentioned repayment, the net senior debt stands at USD 323 million, down from an initial amount of USD 2.35 billion, which is expected to be fully repaid by December 2025. The subordinated debt currently stands at USD 754 million, with an expected repayment completion by 2030

J) On September 13, 2023, APM Investment Holding BVI (the company) acquired 11,465,795 shares in Allied Gold corporation (note 5C i). In November 2023, APM pledged 7,500,000 of these shares as collateral for a loan from St. James Bank and Trust Company, with repayment due in May 2025.

During 31 December 2024, APM attempted to settle the loan balance of USD 11.7 million but was met with the lender's refusal to return the pledged shares, claiming them as loan repayment without legal justification. Following unsuccessful negotiations, APM appointed an international law firm to recover the shares.

As a result of the lender's unlawful retention of the pledged shares, APM recorded an impairment loss. This loss is calculated as the difference between the loan balance and the fair value of the pledged shares, amounting to approximately USD 6.6 million (equivalent to EGP 320.5 million).

31. The subsequent events to the date of the financial statements

A) The Monetary Policy Committee of the Central Bank of Egypt decided to reduce the interest and lending rates by 225 basis points on 17 April 2025. The credit and discount rate were also reduced by 225 basis points on 17 April 2025.

On 25 May 2025 the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the interest and lending rates by 100 points. The credit and discount rate were also reduced by 100 points.

B) On March 21, 2025, the Sudanese Armed Forces (SAF) succeeded in regaining control over the capital, Khartoum, and the surrounding areas. This significant military achievement allowed Al-Takamol Cement, to improve on dispatches and increase dispatch levels and selling prices leading to higher revenues.

C) On 3 June 2025, Qalaa obtained the technical inspection report from the Economic Performance Sector of the General Authority for Investment and Free Zones, which examined the creditors' balances of the shareholders and approved that the total creditors' balance due to shareholders amounts to USD 240,752,323. The balance is distributed as USD 60,852,032 to CCP and USD 179,900,291 to QHRI, which can be used to increase the issued capital. Obtaining this report is a crucial step that enables the company, with the approval of its General Assembly, to use the creditors' balance due to shareholders in increasing its capital.

On June 11, 2025, the Qalaa Board unanimously approved the Disclosure Report per Article 48 of the Egyptian Exchange’s Listing and Delisting Rules, to be submitted to the Financial Regulatory Authority (FRA). This includes a proposal to increase the Company’s authorized capital from EGP 10 billion to EGP 50 billion and issued capital from EGP 9.1 billion to EGP 23.1 billion to settle debts and strengthen working capital, along with the approval of any other associated matters and related disclosures pertaining to the proposed increase in the authorized and issued capital, in execution of the Ordinary General Assembly resolution dated May 30, 2024.

On June 19, 2025, the FRA approved the submitted Form 48, which was published on the EGX screen.

The subsequent events to the date of the financial statements (continued)

D) On June 13, 2025, an intense armed conflict erupted in the Middle East, which may impact the Egyptian economy and alter consumer trends. The group is currently evaluating how this conflict affects its operations. Given the group's diverse portfolio, the conflict's impact will be multifaceted. The group's operations may face increased costs due to the disruption in gas supplies and the expected increase in energy prices, potentially squeezing profit margins. Conversely, the refinery will benefit from the hikes in global oil prices; their investments in gold could benefit from the conflict, as gold prices typically rise during periods of geopolitical instability, providing a hedge against economic uncertainty. On June 24, 2025, both sides agreed to end the conflict. The group is carefully assessing these dynamics to understand the net effect on its overall performance.

E) On 23 June 2025, ASCOM's board of directors unanimously approved the proposal to acquire 90% of Ostool Transport Company S.A.E. "Ostool" shares, a subsidiary of Raya Holding for Financial Investments S.A.E. This strategic acquisition will be executed through one of ASCOM's subsidiaries at a total purchase price of EGP 641 million. The board also unanimously agreed to proceed with an Independent Financial Advisor (IFA) to evaluate the transaction.