



**QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)**

**LIMITED REVIEW REPORT AND INTERIM  
CONDENSED SEPARATE FINANCIAL  
STATEMENTS FOR THE NINE-MONTH PERIOD  
ENDED 30 SEPTEMBER 2023**

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## *Limited review report on the interim condensed separate financial statements*

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

#### *Introduction*

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

#### *Scope of the limited review*

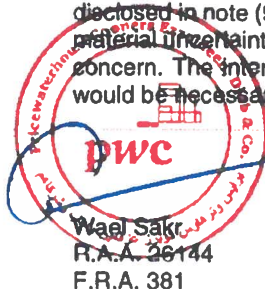
We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of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

#### *Conclusion*

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim Financial Statements".

#### *Emphasis of matter*

Without qualifying our conclusion, we draw attention to note (9) to the interim condensed separate financial statements, the Company incurred a net loss of EGP 1.39 billion for the nine-month period ended 30 September 2023 and it had accumulated losses of EGP 10.92 billion as of 30 September 2023 and its current liabilities exceeded its current assets by EGP 10 billion as at that date. In addition, as of that date, the Company was in breach of its debt covenants and had defaulted in settling its loan instalments on the respective due dates. These events and conditions along with other matters disclosed in note (9) to the interim condensed separate financial statements, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The interim condensed separate financial statements do not include the adjustments that would be necessary if the Company is unable to continue as a going concern.



21 December 2023  
Cairo

**QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)**  
**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**



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

**Interim condensed separate statement of financial position - As of 30 September 2023**

	Note	30 September 2023	31 December 2022
<b>Non-current assets</b>			
Fixed assets	3(a)	7,550	14,382
Investments in subsidiaries and joint ventures		5,552,527	5,552,527
Financial assets at fair value through other comprehensive income	2(e)	13,005	10,398
Payments under investments		2,609,459	2,609,459
Loans to subsidiaries	2(a)	175,995	175,995
Deferred income tax		382	-
<b>Total non-current assets</b>		<b>8,358,918</b>	<b>8,362,761</b>
<b>Current assets</b>			
Loans to subsidiaries	2(a)	1,288,895	1,288,595
Other Receivables		10,471	7,055
Due from related parties	6(a)	5,559,931	5,382,423
Cash and bank balances	2(b)	22,210	8,184
<b>Total current assets</b>		<b>6,881,507</b>	<b>6,686,257</b>
<b>Total assets</b>		<b>15,240,425</b>	<b>15,049,018</b>
<b>Equity</b>			
Paid up capital		9,100,000	9,100,000
Reserves		88,543	88,543
Accumulated losses		(10,924,592)	(8,341,797)
<b>Total /(Net) Equity</b>		<b>(1,736,049)</b>	<b>846,746</b>
<b>Non-current liabilities</b>			
Deferred income tax		-	382
<b>Total Non-current liabilities</b>		<b>-</b>	<b>382</b>
<b>Current liabilities</b>			
Provisions		359,820	348,896
Other payables	2(d)	1,221,559	1,219,518
Due to related parties	6(b)	2,388,101	1,801,874
Loans	2(c)	13,006,994	10,831,602
<b>Total current liabilities</b>		<b>16,976,474</b>	<b>14,201,890</b>
<b>Total equity and liabilities</b>		<b>15,240,425</b>	<b>15,049,018</b>

- The accompanying notes on pages 7 to 24 form an integral part of these interim condensed separate financial statements.
- Limited review report attached

**Tarek El Gamma**  
 Chief Financial Officer

**Hisham El Khazindar**  
 Managing Director

**Ahmed Mohamed Hassanien Heikal**  
 Chairman

21 December 2023

**QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)**  
**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**



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

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

	Note	Nine months ended 30 September		Three months ended 30 September	
		2023	Restated 2022	2023	2022
Advisory revenue	4(a)	114,637	70,888	33,569	25,479
General and administrative expenses		(217,571)	(221,967)	(77,298)	(58,174)
Provisions formed	4(b)	(930,199)	(513,439)	(117,117)	(398,886)
Other operating income		131,205	250	131,205	250
<b>Operating loss</b>		<b>(901,928)</b>	<b>(664,268)</b>	<b>(29,641)</b>	<b>(431,331)</b>
Finance Income	4(c)	436,562	236,061	146,965	83,259
Finance Cost	4(c)	(927,436)	(656,856)	(226,888)	(312,527)
<b>Loss before income tax</b>		<b>(1,392,802)</b>	<b>(1,085,063)</b>	<b>(109,564)</b>	<b>(660,599)</b>
Income tax	4(d)	762	(439)	251	(256)
<b>Net loss for the period</b>		<b>(1,392,040)</b>	<b>(1,085,502)</b>	<b>(109,313)</b>	<b>(660,855)</b>
<b>Earning Per share</b>					
Basic loss per share (EGP/Share)	7	(0.765)	(0.596)	(0.060)	(0.363)
Diluted loss per share (EGP/Share)		(0.765)	(0.596)	(0.060)	(0.363)

- The accompanying notes on pages 7 to 24 form an integral part of these interim condensed separate financial statements.

**QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)**  
**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**



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

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

	Nine months ended 30 September		Three months ended 30 September	
	2023	Restated 2022	2023	2022
Net loss for the period	(1,392,040)	(1,085,502)	(109,313)	(660,855)
<b>Other comprehensive income</b>				
Net Foreign Exchange (Loss) / Gain	(1,190,755)	(406,119)	3,636	-
<b>Total comprehensive loss for the period-net of tax</b>	<b>(1,190,755)</b>	<b>(406,119)</b>	<b>3,636</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>	<b>(2,582,795)</b>	<b>(1,491,621)</b>	<b>(105,677)</b>	<b>(660,855)</b>

- The accompanying notes on pages 7 to 24 form an integral part of these interim condensed separate financial statements.

**QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)**  
**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**



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

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

	<b>Paid up capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
<b>Balance at 1 January 2022</b>	<b>9,100,000</b>	<b>88,638</b>	<b>(5,022,318)</b>	<b>4,166,320</b>
Total comprehensive loss for the period	-	-	(1,491,621)	(1,491,621)
<b>Balance at 30 September 2022</b>	<b>9,100,000</b>	<b>88,638</b>	<b>(6,513,939)</b>	<b>2,674,699</b>
<b>Balance at 1 January 2023</b>	<b>9,100,000</b>	<b>88,543</b>	<b>(8,341,797)</b>	<b>846,746</b>
Total comprehensive loss for the period	-	-	(2,582,795)	(2,582,795)
<b>Balance at 30 September 2023</b>	<b>9,100,000</b>	<b>88,543</b>	<b>(10,924,592)</b>	<b>(1,736,049)</b>

- The accompanying notes on pages 7 to 24 form an integral part of these interim condensed separate financial statements.

QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)  
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023



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

**Interim condensed separate statement of Cash Flow**  
**For the nine months period ended 30 September 2023**

	Note	30 September 2023	30 September 2022
<b><u>Cash flows from operating activities</u></b>			
Loss for the period before tax		(1,392,802)	(1,085,063)
<b>Adjusted to:</b>			
Depreciation expense	3(a)	6,832	6,933
Other Income		(131,205)	-
Provision formed	4(d)	930,199	513,439
Unrealized foreign currency exchange differences (loss) /gain		-	170,420
Interest income	4(c)	(436,562)	(236,061)
Interest expense	4(c)	927,436	479,191
<b>Operating loss before changes in working capital</b>		<b>(96,102)</b>	<b>(151,141)</b>
<b>Changes in working capital:</b>			
Other Receivables		(3,419)	2,706
Due from related parties		(61,745)	(48,461)
Due to related parties		(24,712)	(22,425)
Other Payables		(1,957)	15,918
<b>Net cash flows used in operating activities</b>		<b>(187,935)</b>	<b>(203,403)</b>
<b><u>Cash flows from investing activities</u></b>			
Payment for investments		-	(12,475)
Payments under Investments		-	(221)
Proceeds from loans to subsidiaries		-	17,910
<b>Net cash flows generated from investing activities</b>		<b>-</b>	<b>5,214</b>
<b><u>Cash flows from financing activities</u></b>			
Due from related parties		(451,608)	(1,219,662)
Due to related parties		174,569	281,351
Proceeds from Loans		479,000	1,150,000
<b>Net cash flows generated from financing activities</b>		<b>201,961</b>	<b>211,689</b>
<b>Change in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year	2(d)	8,184	2,341
<b>Cash and cash equivalents at end of the year</b>		<b>22,210</b>	<b>15,841</b>

**Non-cash transactions**

An amount of EGP 1,629,000,000 has been eliminated from due from related parties against the same amount from the loans movement as the bridge loan has been settled against the transfer of shares owned by a subsidiary company.

- The accompanying notes on pages 7 to 24 form an integral part of these interim condensed financial statements.



**Notes to the interim condensed separate financial statements**  
**For the nine months ended 30 September 2023**

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

**1. Introduction**

Qalaa for Financial Investments "S.A.E." was incorporated in 2004 as an Egyptian joint stock company under Law No. 159 of 1981. It was registered in the commercial register under number 11121, Cairo on 13 April 2004. The Company's term is 25 years as of the date it is entered in the commercial register. The company's head office is located in 31 Arkan Plaza, Sheikh Zayed City, 6th of October, Giza, Arab Republic of Egypt. The company is registered in the Egyptian Stock Exchange.

The purpose of the Company is represented in providing financial and financing consultancy for different companies and preparing and providing 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 Extraordinary General Assembly of the 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 122 of its executive regulations. The necessary legal procedures have been initiated after completion of all necessary legal procedures to increase the company's capital until the situation is reconciled according to the new capital of the company.

The company's preferred shares are owned by Citadel Capital Partners Ltd. Company, the principle shareholder of the company by 23.49%.

These interim condensed separate financial statements has been authorised by the company's Board of Directors on 21 December 2023, and the Shareholders' General Assembly has the right to modify the interim condensed separate financial statements after being issued.

Users of these interim condensed separate financial statements should read them together with Company's interim condensed consolidated financial statements for 30 September 2023 in order to obtain full information on financial position, results of operations, cash flow and changes in equity of the Company as a whole.

**2. Financial assets and financial liabilities**

**2(a) Loans to subsidiaries**

Loans to subsidiaries are represented in the follows:

	30 September 2023	31 December 2022
<b>Current</b>		
National Development and Trading Company	4,425,657	3,260,289
	<b>4,425,657</b>	<b>3,260,289</b>
Less: Expected credit loss*	(3,136,762)	(1,971,694)
	<b>1,288,895</b>	<b>1,288,595</b>
<b>Non-current</b>		
United Foundries Company	367,824	294,109
Less: Expected credit loss*	(191,829)	(118,114)
	<b>175,995</b>	<b>175,995</b>
	<b>1,464,890</b>	<b>1,464,590</b>

**Notes to the interim condensed separate financial statements**  
**For the nine months ended 30 September 2023**

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

**2. Financial assets and financial liabilities**

**2(a) Loans to subsidiaries (continued)**

\* The movement in expected credit loss of the loans due from subsidiaries:

	<b>30 September 2023</b>	<b>31 December 2022</b>
Balance at 1 January	2,089,808	584,847
Used during the period	-	(10,864)
Formed during the period	930,199	1,119,260
Foreign currency exchange loss differences	308,584	396,565
	<b>3,328,591</b>	<b>2,089,808</b>

**2(b) Cash and bank balances**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Bank Current accounts – EGP	20,733	1,653
Cash on hand	1,326	4,995
Bank Current accounts – foreign currencies	151	1,536
	<b>22,210</b>	<b>8,184</b>

The average effective interest rate on deposits at 30 September 2023 was 11.8% (31 December 2022: 10.6%). Time deposits and current accounts with banks are placed with local banks under the supervision of Central Bank of Egypt.

**2(c) Loans**

On 1 February 2012 the Company has signed a long-term loan contract with an amount of US \$325 million with Citi Bank Company - syndication manager along with other Company of banks (represented in Arab African International Bank S.A.E, Arab International Bank, Banque du Caire, Misr Bank S.A.E and Piraeus Bank) and guaranteed by Overseas Private Investment Corporation (OPIC) for the purpose of expanding the Company's investments and refinancing the outstanding debts as at 31 December 2011 (which represented in the loan granted to the Company on 15 May 2008 with an amount of US \$200 million for a period of five years from a Company of banks represented in Arab African International Bank, Suez Canal Bank, Misr bank, Piraeus Bank, Morgan Stanley Bank and Citi Bank London "syndication manager"). Loan is to be paid on nine instalments during the contract period begins from the third year to the end of contract on 15 May 2013. The loan balance is US \$172 million (equivalent to EGP 1 billion) as at 31 December 2011 until the date of the new contract.

The 2012 refinancing loan amount is divided into three classes:

**First class:** Irrevocable amount of US \$175 million bearing variable interest rate (4.25%+Libor rate) for 5 years begins from the date of the contract and payable on five equal annual instalments.

**Second class:** Irrevocable amount of US \$125 million bearing variable interest rate (3.9%+Libor rate on the date of withdrawal) for 10 years begins from the date of the contract and payable on nine equal annual instalments with one-year grace period.

**Third class:** Irrevocable amount of US \$25 million bearing variable interest rate (3.9%+Libor rate on the date of withdrawal) and the Company has the right to use it within nine years begins from the date of the contract and payable on nine equal annual instalments begins from the date of withdrawal with one year grace period (not yet used).

The company is ongoing restructuring negotiations.

**Notes to the interim condensed separate financial statements**  
**For the nine months ended 30 September 2023**

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

**2. Financial assets and financial liabilities**

**2(c) Loans (continued)**

The total loans balance as of 30 September 2023:

	<b>30 September 2023</b>	<b>31 December 2022</b>
First Class	3,956,896	3,163,903
Second Class	3,494,768	2,794,389
Accrued Interest	5,555,330	3,723,310
Bridge Loan	-	1,150,000
<b>Balance</b>	<b>13,006,994</b>	<b>10,831,602</b>

**2(d) Other payables balances**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Tax authority	216,206	221,320
Accrued expenses	416,388	391,990
Former shareholder credit balances*	290,064	363,540
Trade and notes payable	295,725	238,740
Dividends payable	2,894	2,894
Social insurance authority	282	1,034
<b>Total other payables balances</b>	<b>1,221,559</b>	<b>1,219,518</b>

Trade payables are unsecured and are usually paid within 60 days of recognition.

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

\* Former Shareholder credit balance represents amounts due to shareholders that resulted from prior acquisitions as well as financing certain subsidiaries. Management doesn't have unconditional rights to defer the settlement and expects these balances to be repaid within twelve months from the date of the condensed separate financial statements.

**2(e) Maturities of financial liabilities**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, due to shortage of funding. Company'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 Board of directors meeting and takes the necessary actions to negotiate with suppliers, follow-up the collection process from related parties in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company'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.

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2023

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

2. Financial assets and financial liabilities

2(e) Maturities of financial liabilities (continued)

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

The table below summarises the maturities of the Company's undiscounted financial liabilities at 30 September 2023 and 31 December 2022, based on contractual payment dates and current market interest rates.

	Below 1 year
<b>30 September 2023</b>	
Loans	13,006,994
Other payables balances	1,221,559
Due to related parties	2,388,101
<b>Total</b>	<b>16,616,654</b>
<b>31 December 2022</b>	
Loans	10,831,602
Other payables balances	1,219,518
Due to related parties	1,801,874
<b>Total</b>	<b>13,852,994</b>

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Company should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Company takes into consideration all information reasonably available.

The table below shows the financial assets and liabilities at fair value in the separate financial statements at 30 September 2023 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1: Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Company can have access to at the date of measurement.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs of the asset or the liability.

Recurring fair value measurements At 30 September 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	-	13,005	-	13,005
<b>Total financial assets</b>	-	13,005	-	13,005

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2023

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

Financial assets and financial liabilities (continued)

2(e) Maturities of financial liabilities (continued)

The table below shows the financial assets at fair value in the year end separate financial statements at 31 December 2022 within the hierarchy of fair value.

Recurring fair value measurements At 31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through other comprehensive income	-	10,398	-	10,398
<b>Total financial assets</b>	<b>-</b>	<b>10,398</b>	<b>-</b>	<b>10,398</b>

The Company determines the level, in the case of transfers between levels within the hierarchy of fair value through the revaluation of the classification (based on the lowest input levels that are considered to be significant to the fair value measurement as a whole). The Company did not make any transfers between levels 1 and 2 during the period.

3. Non-financial assets and liabilities

3(a) Fixed assets

	Buildings	Computers	Furniture, fixture & office equipment	Vehicles	Software	Total
<b>31 December 2022</b>						
Cost	33,742	8,862	23,037	540	24,856	91,037
Accumulated depreciation	(26,993)	(8,823)	(23,037)	(540)	(17,262)	(76,655)
<b>Net carrying value</b>	<b>6,749</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>7,594</b>	<b>14,382</b>
<b>Period ended 30 September 2023</b>						
Net book value at the beginning of the period	6,749	39	-	-	7,594	14,382
Depreciation expense	(1,265)	(39)	-	-	(5,528)	(6,832)
<b>Net book value</b>	<b>5,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,066</b>	<b>7,550</b>
<b>30 September 2023</b>						
Cost	33,742	8,862	23,037	540	24,856	91,037
Accumulated depreciation	(28,258)	(8,862)	(23,037)	(540)	(22,790)	(83,487)
<b>Net carrying value</b>	<b>5,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,066</b>	<b>7,550</b>

**QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)**  
**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**



**Notes to the interim condensed separate financial statements**  
**For the nine months ended 30 September 2023**

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

**4. Profit and loss information**

**4(a) Advisory Revenue**

Advisory fee represents advisory services rendered to the subsidiaries and other related parties by virtue of shareholders agreements:

	Nine months ended 30 September		Three months ended 30 September	
	2023	2022	2023	2022
Falcon Agriculture Investments Ltd	58,499	33,806	19,565	12,147
Citadel Capital Transportation Opportunities II Ltd	25,364	14,657	8,484	5,267
ASEC for Cement	15,964	9,567	5,520	3,445
Silverstone Capital Investment Ltd	14,810	12,858	-	4,620
	<b>114,637</b>	<b>70,888</b>	<b>33,569</b>	<b>25,479</b>

**4(b) Significant items**

	Nine months ended 30 September		Three months ended 30 September	
	2023	2022	2023	2022
<b>Expenses</b>				
Provisions Formed	930,199	513,439	117,117	398,886
Salaries, wages and other employees benefits	158,944	146,626	54,090	44,661
	<b>1,089,143</b>	<b>660,065</b>	<b>171,207</b>	<b>443,547</b>

**4(c) Finance costs - net**

	Nine months ended 30 September		Three months ended 30 September	
	2023	Restated 2022	2023	2022
Credit interest*	436,562	236,061	146,965	83,259
<b>Total Finance Income</b>	<b>436,562</b>	<b>236,061</b>	<b>146,965</b>	<b>83,259</b>
Net foreign exchange loss	-	(173,676)	-	(117,762)
Debit Interest	(927,436)	(483,180)	(226,888)	(194,765)
<b>Total Finance Cost</b>	<b>(927,436)</b>	<b>(656,856)</b>	<b>(226,888)</b>	<b>(312,527)</b>
<b>Total</b>	<b>(490,874)</b>	<b>(420,795)</b>	<b>(79,923)</b>	<b>(229,268)</b>

\* Interest represents the accrued interest income according to the signed contracts with related parties as follows:

	Nine months ended 30 September		Three months ended 30 September	
	2023	2022	2023	2022
National Development and Trading Company	347,077	179,970	117,485	65,418
Citadel Capital Holding for Financial Investments-Free Zone	55,912	27,733	20,015	4,415
National Multimodal Transportation	31,638	27,299	8,367	12,543
Other	1,688	914	1,015	830
United Foundries Company	247	145	83	53
	<b>436,562</b>	<b>236,061</b>	<b>146,965</b>	<b>83,259</b>



**Notes to the interim condensed separate financial statements**  
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**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

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**4. Profit and loss information (continued)**

**4(d) Income tax**

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The average annual tax rate used for the period to 30 September 2023 is null compared to 0.0004 % for the nine months ended 30 September 2022.

**5. Significant changes in the current reporting period**

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

B) The Monetary Policy Committee decided, in its extraordinary meeting held on 03 August 2023, to raise the overnight deposit rate, the overnight lending rate and the rate of the main operation by 100 basis points to 19.25%, 20.25% and 19.75% respectively. The discount rate was also raised by 100 basis points to 19.75%.

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6. Related party transactions

The Company entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Company's top management of the company, their entities, companies under common control. The management decide the terms and conditions of the transactions and services provided beyond to the related parties and any other expenses fairly and depending on contracts and agreements the following are the nature and values of the transactions with the related parties during the period also the accrued balances at the date of condensed separate financial position.

6 (a) Due from related parties

Company name	Nature of relationship	Nature and volume of transaction			30 September 2023	31 December 2022
		Advisory fee	Finance	Forex		
Mena Home furnishings Mall	Subsidiary	-	-	32,629	162,758	130,129
Falcon Agriculture Investments Ltd.	Subsidiary	58,500	-	166,684	889,449	664,265
Golden Crescent Investments Ltd.	Subsidiary	-	-	23,627	117,865	94,238
Citadel Capital Transportation Opportunities Ltd.	Subsidiary	-	(28,728)	-	-	28,728
Logria Holding Ltd.	Investee	-	-	34,076	170,032	135,956
Mena Glass Ltd.	Investee	-	-	21,273	106,148	84,875
Sabina for Integrated Solutions	Subsidiary	-	-	6,810	33,982	27,172
Citadel Capital Financing Corp.	Subsidiary	-	-	40,644	202,804	162,160
Citadel Capital Transportation Opportunities II Ltd.	Subsidiary	25,364	38,029	116,484	451,189	271,312
Citadel Capital Holding for Financial Investments-Free Zone	Subsidiary	-	89,064	829,288	3,437,781	2,519,429
ASEC Company for Mining (ASCOM)	Subsidiary	-	(14,038)	(15)	13,398	27,451
United Foundries Company	Subsidiary	-	(22,805)	66,054	341,476	298,227
Citadel Capital for International Investments Ltd.	Subsidiary	-	(1,256,988)	532,686	2,415,998	3,140,300
Africa Railways Limited	Subsidiary	-	-	11,177	40,906	29,729
Mena Joint Investment Fund management S.A	Subsidiary	-	-	14,501	72,357	57,856
Citadel Capital Joint Investment and Management limited Fund	Subsidiary	-	-	3,326	16,594	13,268
Africa JIF Holdco I fund	Subsidiary	-	-	4,397	21,942	17,545
Crondall Holdings Ltd.	Subsidiary	-	-	10,940	54,584	43,644
International Company for Mining Consultation	Subsidiary	-	-	-	140	140
Grandview Investment Corp	Subsidiary	-	(1,678)	5,821	25,454	21,311
Dina Farms	Subsidiary	-	17,152	-	17,152	-
Aresco	Subsidiary	-	2,600	-	2,600	-
<b>Total</b>					<b>8,594,609</b>	<b>7,767,735</b>
Expected credit loss *					<b>(3,034,678)</b>	<b>(2,385,312)</b>
<b>Net</b>					<b>5,559,931</b>	<b>5,382,423</b>



Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2023

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

6. Related party transactions (continued)

6 (a) Due from related parties (continued)

\*The expected credit loss of due from related parties is as follows:

	Balance as at 1 January 2023	Foreign exchange differences	Balance as at 30 September 2023
Logria Holding Ltd.	135,956	34,076	170,032
Citadel Capital Financing Corp.	162,160	40,644	202,804
Golden Crescent Investments Ltd.	94,238	23,627	117,865
Sabina for Integrated Solutions	27,172	6,810	33,982
Citadel Capital Transportation Opportunities Ltd.	28,728	(28,728)	-
Mena Glass Ltd.	84,875	21,273	106,148
Africa Raliways Limited	29,729	11,177	40,906
Crondall Holdings Ltd.	43,644	10,940	54,584
Citadel Capital Holding for Financial Investments- Free Zone	1,196,100	397,070	1,593,170
Citadel Capital for International Investments Ltd.	452,581	99,848	552,429
Mena Home furnishings Mall	130,129	32,629	162,758
<b>Balance</b>	<b>2,385,312</b>	<b>649,366</b>	<b>3,034,678</b>

6(b) Due to related parties

	Nature of relationship	Nature and volume of transaction			30 September 2023	31 December 2022
		Advisory fee	Finance	Forex		
National Development and Trading Company	Subsidiary	-	27,765	252,654	1,281,581	1,001,162
ASEC Cement Company	Subsidiary	(9,903)	3,488	3	9,350	15,762
Asec Trading Company	Subsidiary	-	174,057	18,980	265,650	72,613
Citadel Capital for International Investments Ltd.	Subsidiary	-	-	138,173	689,013	550,840
Silverstone Capital Investment Ltd.	Subsidiary	(14,809)	(41,223)	11,174	-	44,858
Ahmed Heikal	Chairman	-	-	31	843	812
FHI	Shareholder	-	25,837	-	141,664	115,827
<b>Total</b>					<b>2,388,101</b>	<b>1,801,874</b>

6(c) Key Management Compensation

Key management personnel received total benefits during the period with an amount of EGP 19.08 million in 30 September 2023 represented in salaries and other benefits (30 September 2022: EGP 16.4 million)

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2023

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

6. Related party transactions (continued)

6 (d) Terms and conditions

Transactions relating to Advisory fees during the period based on the Contracts in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

The loans to related parties are repayable between 1 to 10 years from the reporting date. The average interest rate on the loans to related parties during the period was 11.5% (31 December 2022 – 11.5%).

Outstanding balances are secured and are repayable in cash.

6(e) Expected credit loss of loans to related parties and due from related parties

Expected credit loss of loans to related parties and due from related parties is estimated by monitoring ageing of balances. The Company's management examines the credit position and ability of related parties to make payments for their past due debts. Expected credit loss is recognised for amounts due from related parties whose credit position, as believed by the management, does not allow them to pay their dues.

7. Losses per share

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

	Nine months ended 30 September		Three months ended 30 September	
	2023	Restated 2022	2023	2022
Net loss for the period	(1,392,040)	(1,085,502)	(109,313)	(660,855)
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000	1,820,000	1,820,000	1,820,000
Earnings per share (EGP)	(0.765)	(0.596)	(0.060)	(0.363)

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

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2023

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

**8. Basis of preparation of the interim condensed separate financial statements**

**Compliance with EAS**

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

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

The accounting policies adopted in the preparation of this interim condensed separate financial statements are consistent with those of the previous financial year and corresponding interim reporting period. except for the estimation of income tax (see note 4(d)) and the adoption of new and amended standards as set out below.

**Summary of material modifications of the Egyptian Accounting Standards 2023**

The Minister of Investment issued Decision No. 883 of 2023 in March 2023, amending some rules of Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. These amendments were published in the accounting standards in the Official Gazette on 6 March 2023. The most important amendments are summarized as follows, which are implemented for the financial periods beginning on or after 1 January 2023. The Company's management is in the process of evaluating the impact of applying these amendments.

Accounting Standards	Amendment Summary	Application date
EAS No. 10 "Fixed Assets and Its Depreciation"	<p><b>"Scope of the Standard"</b> The standard has been altered to include bearer plants.</p> <p><b>"Measurement"</b> -The option of revaluing fixed assets has been added to the current standard. -The fair value of an asset is determined through revaluation and pricing experts who are registered in the Financial Regulatory Authority. -Paragraph 20(A) has been added, according to which the Company must record the proceeds from the sale of any output produced during the delivery of the fixed asset to the condition necessary for it to be operable in the manner intended by the management within the separate statement of profit or loss.</p> <p><b>"Disclosures"</b> Some new disclosures have been added to the re-evaluation model.</p>	The Company applies the amendments to add the option of using the revaluation model to the financial periods starting on or after 1 January 2023, retroactively, with recording the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the Company applies it for the first time.

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Accounting Standards	Amendment Summary	Application date
Egyptian Accounting Standard No. 23 "Intangible Assets"	<p><b>"Scope of the standard"</b></p> <p>The scope of the intangible asset standard has been modified to include the rights held by the lessee under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights.</p> <p><b>"Measurement"</b></p> <ul style="list-style-type: none"> <li>- An option to apply the revaluation model for intangible assets has been added.</li> <li>- The fair value is determined through an estimate made by experts specialized in evaluation and valuation among those registered in a register dedicated to that in the General Authority for Financial Supervision.</li> </ul> <p><b>"Disclosures"</b></p> <p>Some new disclosures related to the revaluation model have been added.</p>	The Company applies the amendments to add the option to use the revaluation model on the financial periods starting on or after 1 January 2023, retroactively, with recording of the cumulative effect of applying the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the facility applies this model for the first time.
Amendments to the Egyptian Accounting Standard "Fixed Assets" No. (10) and the Egyptian Accounting Standard No. (23) "Intangible Assets" related to depreciation and amortization.	This amendment clarifies that it is not permissible to use the depreciation method that depends on the revenues generated from the activity that includes the depreciation of the asset, since the generation of revenues related to the asset reflects factors other than the consumption of the economic benefits related to the asset. It is possible to refute this assumption in limited cases related to intangible assets when there is a close correlation between the volume of revenue and the intangible asset.	Applies to financial periods beginning on or after 1 January 2023.
Egyptian Accounting Standard No. (34) "Investment property"	<p><b>"Measurement"</b></p> <ul style="list-style-type: none"> <li>- The option of applying the fair value model for property investment has been added.</li> <li>- The fair value is determined by estimation that is carried out by experts specialized in valuation and pricing among those registered in a in the Financial Regulatory Authority.</li> </ul>	The Company applies the amendments to add the option to use the fair value model on the financial periods that start on or after 1 January 2023, retroactively, with recording of the cumulative effect to apply the fair value model initially by adding it to the fair value surplus within Separate statement of changes in equity at the beginning of the financial period in which it is based. The Company applies this model for the first time.

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2023

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



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Accounting Standards	Amendment Summary	Application date
Egyptian Accounting Standard No. (50) "Insurance Contracts"	<p>The new Egyptian Accounting Standard No. (50) "Insurance Contracts" replaces the adjusted Egyptian Accounting Standard No. (37).</p> <p>This standard defines the principles for recording insurance contracts that fall within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the entity provides appropriate information that faithfully reflects those contracts. This information provides users of the financial statements with the necessary basis for evaluating the effects of those insurance contracts on the Group's financial position, financial performance, and cash flows.</p> <p>The Group shall apply the accounting standard no. 50 "insurance contracts", including reinsurance contracts, that it issues; reinsurance contracts it holds; and investment contracts with facultative participation features that the Group issues, provided that the Group also issues insurance contracts.</p>	The application will be available from 1 July 2024 or from the beginning of the annual financial period after 1 July 2024.

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

- A) Egyptian Accounting Standard No. (1) "Presentation of Financial Statements"
- B) Egyptian Accounting Standard No. (5) "Accounting Policies"
- C) Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Currency Exchange Rates"
- Egyptian Accounting Standard No. (24) "Income Taxes"
- D) Egyptian Accounting Standard No. (31) "Impairment of assets"
- E) Egyptian Accounting Standard No. (32) "non-current assets held for the purpose of sale and non-continuing operations"

**Notes to the interim condensed separate financial statements**  
**For the nine months ended 30 September 2023**

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

**9. Going concern**

The Company has made a net loss of approximately EGP 1.39 billion for the period ended 30 September 2023 (30 September 2022: EGP 1.08 million loss). This has further increased the Company's accumulated losses amounted to approximately EGP 10.92 billion as at 30 September 2023 (31 December 2022: EGP 8.34 billion).

As at 30 September 2023, the Company is financed by borrowings and bank facilities to the amount of EGP 13 billion. The Company had EGP 22 million of cash and cash equivalents.

During the financial period, the Company was in breach of its existing debt covenants. As a result of the breaches and defaults, an amount of EGP 13 billion was repayable on demand and the loans have been classified as current liabilities as at 30 September 2023. As a result, the Company's current liabilities exceeded its current assets by EGP 10 billion (31 December 2022: EGP 7.5 billion).

These circumstances indicate significant doubts as to whether the Company will be able to meet its debt obligations as they fall due and represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

**The key factors which could lead to the Company not being a going concern are considered to be:**

- If the Company continues to make losses from operations and does not generate sufficient cash flows from the operations. As a result, the Company would not be able to provide services to its customers, pay employees and suppliers.
- If the Company is unable to remedy any breaches of financial covenants financial nor able to renegotiate or restructure any defaulted positions.

**Assessment of cash flow forecasts produced by management**

The assessment of the going concern basis for the preparation of the financial statements of the Company relies heavily on the ability to forecast future cash flows over the going concern assessment period and to successfully restructure the defaulted debt and remedy any breaches. Although the Company has a robust budgeting and forecasting process, there is an inherent uncertainty in the assumptions used in this process.

Management has prepared a comprehensive cash flow forecast for the next 5 years of the business which has been subject to Board review and challenge. These cash flows are consistently used for purposes of testing the non-current assets for impairment and details of the assessments and key assumptions, During the period, no impairment losses were recognized against noncurrent assets.

**Key areas in determining the Company is a going concern**

The key considerations in respect in respect of assessing going concern and in reaching the conclusion are set out below:

**Operational Activity**

- The company show continuous operational and EBITDA growth year on year.
- Management continuous to maintain a more relaxed cash flow impact from operating expenses either through deferring payments or cost cutting policies.

**Liquidity Position**

The Company has experienced significant liquidity issues and in order to address the liquidity issues, management has undertaken the following actions:

- Loans from local financial institutions, with a balance of 13 billion outstanding as at 30 September 2023, are in the process of being renegotiated. The Company has negotiated to settle all the overdue debts through finance from one lender. On reaching the rescheduling agreement, the Company will benefit from the longer settlement period and the waiver of the charges on the defaulted loans.

Notes to the interim condensed separate financial statements  
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(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)

Going concern (continued)

Other initiatives

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

Therefore, the separate financial statements of the company for the period ended 30 September 2023 have been prepared on a going concern basis.

10. Restatement of comparative figures

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

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

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

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

Interim condensed separate statement of profit or loss	30 September 2022		
	Previously reported	Effect of restatement	Restated
Finance costs	(1,062,975)	406,119	(656,856)
Net loss for the period	(1,491,621)	406,119	(1,085,502)

Interim condensed separate statement of other comprehensive income	30 September 2022		
	Previously reported	Effect of restatement	Restated
Net loss for the period	(1,491,621)	406,119	(1,085,502)
Net foreign currency exchange loss	-	(406,119)	(406,119)



Notes to the interim condensed separate financial statements  
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**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

**10. Restatement of comparative figures (continued)**

Interim condensed separate statement of cash flows	30 September 2022		
	Previously reported	Effect of restatement	Restated
Loss for the period before income tax	(1,491,182)	406,119	(1,085,063)
foreign currency exchange loss	406,119	(406,119)	-

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

	30 September 2023	30 September 2022
Net loss for the period	(2,582,795)	(1,491,621)
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000	1,820,000
Earnings per share (EGP)	(1.419)	(0.819)

**11. Significant Events**

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

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

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 to govern the shareholder relationship between the parties.

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

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

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

**Notes to the interim condensed separate financial statements**  
**For the nine months ended 30 September 2023**

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

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**11. Significant Events (continued)**

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

The Company's management is currently studying and assessing the impact of these transactions on the Company's separate financial statements, considering the agreements that have been reached and those that are still under negotiation. It is initially concluded that there is no impact on the current interim condensed separate financial statements or and that there is no change in the control position of Qalaa for financial Investments S.A.E over TAQA Arabia.