



QALAA FOR FINANCIAL INVESTMENTS S.A.E.  
AUDITOR'S REPORT  
SEPARATE FINANCIAL STATEMENTS  
31 DECEMBER 2024

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## **Auditors' report**

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

### **Report on the separate financial statements**

We have audited the accompanying separate financial statements of Qalaa for Financial Investments S.A.E (the "Company") which comprise the separate statement of financial position as of 31 December 2024 and the separate 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 separate financial statements**

These separate financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these separate 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 separate 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.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate 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 Company'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 separate 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 separate financial statements.

### **Basis for qualified opinion**

As disclosed in Note (2F), the Company 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 8.9 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 or unfunded exposures 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 in the separate statement of financial position as at 31 December 2024 and, consequently, the separate 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 12 to the separate financial statements as at 31 December 2024.

**Auditors' report (continued)**

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**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 bank's loan, In our opinion, the accompanying separate financial statements referred to above present fairly, in all material respects, the financial position of Qalaa for Financial Investments S.A.E. as of 31 December 2024, and its financial performance and its cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

**Emphasis of matter**



Without further qualification to our opinion, as disclosed in note (22)(a)(iii) to the separate financial statements, the company incurred a net loss of EGP 1 billion for the financial year ended 31 December 2024 (2023: EGP 2.5 billion) and its current liabilities exceeded its current assets by EGP 17.7 billion as of 31 December 2024 (2023: EGP 11.9 billion) and it had accumulated losses of EGP 17.6 billion as of that date (2023: EGP 12.1 billion). These events and conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The separate financial statements do not include the adjustments that would be necessary if the company is unable to continue as a going concern according to the matters detailed in note (22)(a)(iii).

**Report on other legal and regulatory requirements**

The Company maintains proper financial records, which includes all that is required by the law and the Company's statutes, and the accompanying separate financial statements are in agreement therewith.

The Company's accumulated losses exceeded its owner's equity According to article no. 69 of the Companies Law No. 159 of 1981, the Company's board directors should invite for General Assembly Meeting to decide on the continuity of the Company

The financial information included in the Board of Directors' report is prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the company's accounting records, within the limits that such information recorded therein.



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

PricewaterhouseCoopers Ezzeldeen, Diab  
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Hassan Basuoni  
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B.T. Mohamed Hilal & Wahid Abdel Ghaffar  
Accountants & Consultants

6 July 2025  
Cairo

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

**Separate statement of financial position - As of 31 December 2024**

	Note	2024	2023
<b>Non-current assets</b>			
Fixed assets	3(a)	3,375	5,285
Investments in subsidiaries and joint ventures	3(b)	6,472,805	5,568,564
Financial assets at fair value through other comprehensive income	2(b)	19,421	7,069
Payments under investments	3(c)	2,621,959	2,609,459
Loans to subsidiaries	2(c)	254,917	175,993
<b>Total non-current assets</b>		<b>9,372,477</b>	<b>8,366,370</b>
<b>Current assets</b>			
Loans to subsidiaries	2(c)	-	1,288,883
Other Receivables	2(a)	153,979	10,009
Due from related parties	13(a)	8,295,557	4,044,089
Cash and bank balances	2(d)	43,913	159,431
<b>Total current assets</b>		<b>8,493,449</b>	<b>5,502,412</b>
<b>Total assets</b>		<b>17,865,926</b>	<b>13,868,782</b>
<b>Equity</b>			
Paid-up capital	4(a)	9,100,000	9,100,000
Reserves	4(b)	126,763	85,957
Accumulated losses		(17,571,886)	(12,098,379)
Shareholder's balance	4(b)	(639,457)	(639,457)
<b>Net Equity</b>		<b>(8,984,580)</b>	<b>(3,551,879)</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3(d)	11,494	183
Loans	2(f)	640,400	-
<b>Total Non-current liabilities</b>		<b>651,894</b>	<b>183</b>
<b>Current liabilities</b>			
Provisions	3(e)	314,894	344,197
Other Payables	2(e)	3,448,349	1,220,102
Due to related parties	13(b)	1,296,287	2,516,607
Loans	2(f)	21,139,082	13,339,572
<b>Total current liabilities</b>		<b>26,198,612</b>	<b>17,420,478</b>
<b>Total equity and liabilities</b>		<b>17,865,926</b>	<b>13,868,782</b>

- The accompanying notes on pages 8 to 63 form an integral part of these separate financial statements.
- Auditor's report attached.



Tarek El Gammal  
Chief Financial Officer



Hisham El Khazindar  
Managing Director



Ahmed Mohamed Hassanien Heikal  
Chairman

6 July 2025

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

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

	Note	2024	2023
Advisory revenue	5	191,140	148,206
Management fees	4(b)	-	(738,659)
General and administrative expenses	6	(596,268)	(313,170)
Net Impairment Losses in Financial Assets	7	(129,351)	(1,050,903)
Impairment no longer required	2(C)	345,325	-
Other operating (expense) /income	8	(97,661)	147,363
<b>Operating loss</b>		<b>(286,815)</b>	<b>(1,807,163)</b>
Finance income	9	1,064,076	587,580
Finance cost	9	(1,809,185)	(1,270,541)
<b>Loss before income tax</b>		<b>(1,031,924)</b>	<b>(2,490,124)</b>
Income tax	10	536	499
<b>Net loss for the year</b>		<b>(1,031,388)</b>	<b>(2,489,625)</b>
<b>Loss per share</b>			
Basic & diluted loss per share (EGP/Share)	14	(0.567)	(1.368)

- The accompanying notes on pages 8 to 63 form an integral part of these separate financial statements.

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

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

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Net loss for the year		(1,031,388)	(2,489,625)
<b>Other comprehensive Income/(loss)</b>			
Forex Losses through OCI		-	(1,266,957)
Change in fair value of financial assets at fair value through other comprehensive income	2(b)	52,653	(2,286)
Unrealized Forex from Financial assets at fair value	2(b)	4,803	-
Deferred income tax relating to other comprehensive income	3(d)	(11,847)	(300)
<b>Total other comprehensive Income/(loss) for the year, net of tax</b>		<u>45,609</u>	<u>(1,269,543)</u>
<b>Total comprehensive loss for the year</b>		<u>(985,779)</u>	<u>(3,759,168)</u>

- The accompanying notes on pages 8 to 63 form an integral part of these separate financial statements.

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

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

	Paid up capital	Reserves	Accumulated losses	Shareholder's credit balance	Total equity
<b>Balance at 1 January 2023</b>	<b>9,100,000</b>	<b>88,543</b>	<b>(8,341,797)</b>	<b>-</b>	<b>846,746</b>
Total comprehensive loss for the year	-	(2,586)	(3,756,582)	-	(3,759,168)
Shareholder's balance	-	-	-	(639,457)	(639,457)
<b>Balance at 31 December 2023 and 1 January 2024 before EAS 13</b>	<b>9,100,000</b>	<b>85,957</b>	<b>(12,098,379)</b>	<b>(639,457)</b>	<b>(3,551,879)</b>
The effect of application of EAS 13 "Revised" (Note 24)	-	-	(4,446,922)	-	(4,446,922)
<b>Balance at 1 January 2024 after EAS 13</b>	<b>9,100,000</b>	<b>85,957</b>	<b>(16,545,301)</b>	<b>(639,457)</b>	<b>(7,998,801)</b>
Total comprehensive Loss for the year	-	40,806	(1,026,585)	-	(985,779)
<b>Balance at 31 December 2024</b>	<b>9,100,000</b>	<b>126,763</b>	<b>(17,571,886)</b>	<b>(639,457)</b>	<b>(8,984,580)</b>

- The accompanying notes on pages 8 to 63 form an integral part of these separate financial statements.



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

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

	Note	2024	2023
<b>Cash flows from operating activities</b>			
Loss for the year before tax		(1,031,924)	(2,490,124)
<b>Adjusted to:</b>			
Depreciation expense	3(a)	1,910	9,097
Other Income	8	(658,540)	(131,205)
Impairment formed	7	129,351	1,050,903
Impairment no longer required	2(c)	(345,325)	-
Provision formed	8	8,000	8,000
Provision no longer required	3(e)	-	(23,624)
Realized foreign currency exchange differences (OCI)		-	(55,708)
Unrealized foreign currency exchange differences (loss) /gain		266,655	-
Interest income	9	(311,179)	(587,580)
Interest expense	9	1,497,243	1,264,517
Non-cash management fees (deduction from Shareholder's balance)		-	738,659
<b>Operating loss before changes in working capital</b>		<b>(443,809)</b>	<b>(217,065)</b>
<b>Changes in working capital:</b>			
Other Receivables		(143,556)	(1,835)
Due from related parties		(191,140)	(119,374)
Due to related parties		-	(30,234)
Other Payables		630,487	(38,187)
<b>Net cash flows used in operating activities</b>		<b>(148,018)</b>	<b>(406,695)</b>
<b>Cash flows from investing activities</b>			
Payment for investments		(24,950)	(16,037)
Payments under Investments in subsidiaries and joint ventures		(12,500)	-
<b>Net cash flows used in investing activities</b>		<b>(37,450)</b>	<b>(16,037)</b>
<b>Cash flows from financing activities</b>			
Due from related parties		76,658	32,292
Due to related parties		(232,173)	62,687
Loan payment		(172,932)	-
Proceeds from Loans	2(c)	400,594	479,000
<b>Net cash flows generated from financing activities</b>		<b>72,147</b>	<b>573,979</b>
<b>Change in cash and bank balances</b>		<b>(113,321)</b>	<b>151,247</b>
Cash and bank balances at beginning of the year	2(d)	159,431	8,184
Cash revaluation		(2,197)	-
<b>Cash and bank balances at end of the year</b>	<b>2(d)</b>	<b>43,913</b>	<b>159,431</b>

Non-cash transactions has been disclosed in the [Note 11\(a\)](#).

- The accompanying notes on pages 8 to 63 form an integral part of these separate financial statements.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**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 in 1089 Nile Corniche, Four Season Nile Plaza, Garden City Cairo, 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.

On September 26, 2024, the Company invited for an Extraordinary General Assembly to consider giving up all decisions previously approved at the Company's previous Extraordinary General Assembly meeting held on February 18, 2007, 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.

These separate financial statements has been authorised by the company's Board of Directors on 6 July 2025, and the Shareholders' General Assembly has the right to modify the separate financial statements after being issued.

Notes to the separate financial statements - For the year ended 31 December 2024

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

## Financial position

### 2. Financial assets and financial liabilities

The Company holds the following financial instruments:

Financial assets at 31 December 2024	Notes	Assets at FVOCI	Loans and Receivables at amortised cost	Total
Other receivables	2(a)	-	9,404	9,404
Due from related parties	13(a)	-	8,295,557	8,295,557
Financial assets at fair value through other comprehensive income	2(b)	19,421	-	19,421
Loans to subsidiaries	2(c)	-	254,917	254,917
Cash and bank balances	2(d)	-	43,913	43,913
		19,421	8,603,791	8,623,212

Financial assets at 31 December 2023	Notes	Assets at FVOCI	Loans and Receivables at amortised cost	Total
Other receivables	2(a)	-	5,852	5,852
Due from related parties	13(a)	-	4,044,089	4,044,089
Financial assets at fair value through other comprehensive income	2(b)	7,069	-	7,069
Loans to subsidiaries	2(c)	-	1,464,876	1,464,876
Cash and bank balances	2(d)	-	159,431	159,431
		7,069	5,674,248	5,681,317

\* excluding advances to suppliers, employee advances, prepaid expenses, deposits with others, and withholding tax.

Financial liabilities at 31 December 2024	Notes	Liabilities at amortised cost	Total
Other payables	2(e)	2,777,857	2,777,857
Due to related parties	13(b)	1,296,287	1,296,287
Loans	2(f)	21,779,482	21,779,482
		25,853,626	25,853,626

Financial liabilities at 31 December 2023	Notes	Liabilities at amortised cost	Total
Other payables	2(e)	588,791	588,791
Due to related parties	13(b)	2,516,607	2,516,607
Loans	2(f)	13,339,572	13,339,572
		16,444,970	16,444,970

\*\* excluding tax authority, accrued expenses and social insurance authority.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Financial assets and financial liabilities (continued)**

**2(a) Other receivables (Net)**

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Deposits with others	127,155		127,155	58	-	58
Prepaid expense	13,158	-	13,158	-	-	-
Other debit balances	10,620	-	10,620	9,502	-	9,502
Letter of guarantee margins	6,355	-	6,355	3,863	-	3,863
Employee advances	2,215	-	2,215	2,110	-	2,110
Withholding tax	1,577	-	1,577	1,577	-	1,577
Advances to suppliers	470	-	470	470	-	470
Impairment losses*	(7,571)	-	(7,571)	(7,571)	-	(7,571)
Total other receivables	<b>153,979</b>	<b>-</b>	<b>153,979</b>	<b>10,009</b>	<b>-</b>	<b>10,009</b>

\* The movement of impairment in other receivables balances was as follows:

	2024	2023
Balance at 1 January	7,571	7,571
	<b>7,571</b>	<b>7,571</b>

**(i) Impairment and risk exposure**

Information about the impairment of other receivables balances, their credit quality and the Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in (note 19).

**2(b) financial assets at fair value through other comprehensive income**

	2024	2023
<b>Non-current assets</b>		
EFG Capital Partners Fund III	19,421	7,069
	<b>19,421</b>	<b>7,069</b>

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

Investments are designated as fair value through other comprehensive income financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVPL, or loans and receivables) are also included in the FVOCI category. 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) Impairment indicators for Financial assets at fair value through other comprehensive income**

An equity security is considered to be impaired if there has been a significant or prolonged decline in the fair value below its cost. See note 22 f(vi) further details about the Company's impairment policies for financial assets.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Financial assets and financial liabilities (continued)**

**2(b) financial assets at fair value through other comprehensive income (continued)**

*(iii) Amounts recognised in profit or loss and other comprehensive income*

During the year, the following (loss)/profit were recognized in profit or loss and other comprehensive income.

	2024	2023
Gain/(Loss) recognised in other comprehensive income - before tax (note 4(b))	57,456	(2,286)
Deferred Income tax relating to other comprehensive income	(11,847)	(300)
	<b>45,609</b>	<b>(2,586)</b>

*(iv) 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 31 December 2024 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 31 December 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	-	19,421	-	19,421
<b>Total financial assets</b>	-	<b>19,421</b>	-	<b>19,421</b>

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Financial assets and financial liabilities (continued)**

**2(b) financial assets at fair value through other comprehensive income (continued)**

The table below shows the financial assets at fair value in the separate financial statements at 31 December 2023 within the hierarchy of fair value.

Recurring fair value measurements At 31 December 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	-	7,069	-	7,069
<b>Total financial assets</b>	<b>-</b>	<b>7,069</b>	<b>-</b>	<b>7,069</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 year.

**2(c) Loans to subsidiaries**

Loans to subsidiaries are represented in finance agreements to subsidiaries as follows:

	2024	2023
<u>Current</u>		
National Development and Trading Company	-	4,546,346
	-	<b>4,546,346</b>
Less: Accumulated impairment loss*	-	(3,257,463)
	-	<b>1,288,883</b>
<u>Non-current</u>		
National Development and Trading Company	161,531	-
United Foundries Company	93,386	367,824
Less: Accumulated impairment loss*	-	(191,831)
	<b>254,917</b>	<b>175,993</b>
	<b>254,917</b>	<b>1,464,876</b>

\*The movement in impairment of loans due from subsidiaries:

	2024	2023
Balance at 1 January	<b>3,449,294</b>	<b>2,089,808</b>
Formed during the year (note 7)	129,351	1,050,903
Impairment no longer required ***	(345,325)	-
Foreign currency exchange loss differences	1,128,137	308,583
Adjustments **	(4,361,457)	-
	<b>-</b>	<b>3,449,294</b>

**(A) National Development and Trading Company Loan**

The Company granted two subordinating loans to National Development and Trading Company "subsidiary", The two loans dated 28 December 2009 and 21 September 2010 with amounts of US \$90 million and US \$8 million respectively. The loans contracts period is five years, the principle of the two loans have to be paid with interest by the end of loans' period, with 11.5% annual compound interest, according to loans contracts the Company has the right to convert the value the of loans in addition to its interest due into capital increase in National Development and Trading Company with par value at the end of loans period.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Financial assets and financial liabilities (continued)**

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

**(A) National Development and Trading Company Loan (continued)**

The guarantees are representing line on a number of the National for Development and Trading Company's investments in shares of the following subsidiaries in favour of the company as a guarantee for the loan principal:

ASEC Cement Company	41,050,000 shares
Arab Swiss Engineering Company (ASEC)	899,900 shares

During 2014, the Company has signed two waiver contracts with Al Olayan Saudi investment Ltd for a portion from the two loans with a total amount of US \$23 million divided to US \$14.8 million (principle amount) and US \$8 million (accrued interest amount). The balances of the two loans after the waiver agreements of US \$147M (equivalent to EGP 4.54 billion) as at 31 December 2023 versus US \$132 million (equivalent to EGP 3.26 billion) as at 31 December 2022 including accumulated accrued interest amounted to US \$126 million.

**(B) United Foundries Company Loan**

The Company granted a subordinating convertible loan to United Foundries Company - one of its subsidiaries - on 2 June 2010 with an amount of US \$11.5 million for Six years contract, the principle of the loan has to be paid with interest at the end of the loan period, with 11.5% annual compound interest, according to the loan contract the Company has the right to convert the value of the loan in addition to its interest due into capital increase in the capital of United Foundries Company with par value at the end of loan period.

On 30 April 2018, the company has waived 16 million us dollars equivalent to EGP 280 million for Citadel Capital for International Investment Ltd. (CCII) a wholly owned subsidiary from the total outstanding balance due from united foundries company with the right to authorize Qalaa for Financial Investments company to dispose the debt assigned by this contract and have it reassigned to third parties in light of the ongoing settlements and negotiations with other creditors..

On 1 January 2021, as per the amended agreement with United Foundries Company (UCF) the annual interest changed from 6% to 0.1%.

The subordinating loan for United Foundries Company is US \$11.9 million (equivalent to EGP 367.8 million) as at 31 December 2023 versus US \$11.9 million (equivalent to EGP 294.1 million) as at 31 December 2022 including accrued interest amounted to US 8.7 million (equivalent to EGP 271 million) as at 31 December 2023 versus US \$8.7 million (equivalent to EGP 219 million) as at 31 December 2022.

According to the agreement dated March 31, 2024, signed between Qalaa Holdings, National Development and Trading Company, and United Foundries Company, the outstanding debts owed by them was converted from U.S. dollars to Egyptian pounds, effective from March 31, 2024. The parties agreed that the repayment period for this debt shall not exceed fifteen years from the date of signing this agreement by both parties and the contracting parties have agreed that from the date of this contract, this debt shall be considered an interest-free loan to support the company's financial growth and business operations expansion plan.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Financial assets and financial liabilities (continued)**

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

\*\* For financial assets that are credit-impaired on purchase or origination, the lifetime ECL on initial recognition are included in the estimated cash flows when calculating the effective interest rate. Thus, no loss allowance is recognized on initial recognition. However, an entity should recognize, at each reporting date in the income statement, the amount of the change in lifetime ECL as an impairment gain or loss.

The loan is subsequently measured at amortized cost factoring in ECL, with interest accrued using the effective interest rate method, taking into account the unwinding of the difference between the cash paid and fair value on initial recognition.

\*\*\*During the year, National Development and Trading Company processed an early payment to Qalaa Holdings equivalent to EGP 271 million in addition of settling an amount of EGP 129.7 million, that was previously recorded in due to related parties (National Development and Trading Company) by deducting it's value from the loans to subsidiaries. According to the agreement between both parties bringing the total settled amount to EGP 400.7 million. The company recognized impairment no longer required based on early settlement and payment as shown in the movement of expected credit loss of the loans.

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

	2024	2023
Bank Current accounts – local currency	3,824	151,920
Cash on hand	1,565	6,961
Bank Current accounts – foreign currency	38,524	550
	<b>43,913</b>	<b>159,431</b>

The average effective interest rate on deposits at 31 December 2024 was 15.2% (2023 was 12.5%). current accounts with banks are placed with local banks under the supervision of CBE.

**2(e) Other payables**

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Other financial liability**	1,534,547	-	1,534,547	-	-	-
Accrued expenses	670,104	-	670,104	412,544	-	412,544
Trade and notes payable	513,474	-	513,474	293,587	-	293,587
Former Shareholder's balance*	495,416	-	495,416	292,310	-	292,310
Tax authority	231,527	-	231,527	218,497	-	218,497
Dividends payable	2,894	-	2,894	2,894	-	2,894
Social insurance authority	387	-	387	270	-	270
<b>Total other payables</b>	<b>3,448,349</b>	-	<b>3,448,349</b>	<b>1,220,102</b>	-	<b>1,220,102</b>



**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Financial assets and financial liabilities (continued)**

**2(e) Other payables (continued)**

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

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

\*Former Shareholder's 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 paid within twelve months from the date of the separate financial statements.

\*\*Other financial Liability 's balance represents the financial guarantee at fair value recorded by Qalaa holding against both the Arab International Bank loan settlement and Olyan settlement.

**2(f) 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 Consortium of banks represented in Arab African International Bank, Suez Canal Bank, Misr bank , Piraeus 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 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).

	2024	2023
First Class	-	3,956,896
Second Class	-	3,494,768
Accrued Interest	-	5,887,908
<b>Balance</b>	<b>-</b>	<b>13,339,572</b>

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Financial assets and financial liabilities (continued)**

**2(f) Loans(continued)**

During the year, Qalaa entered into a group of agreements with the participant's banks to settle the above debt as follows:

**1. Purchased loan QHRI and Citadel Capital Partners companies :**

The 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 Holdings and a group of local and international banks and institutions. This purchase was 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.

As of 30 June 2024, an amount of USD 240,752,323 equivalent to EGP 11.6 billion has been reclassified from bank loans to loan from Qalaa Holding Restructuring Ltd and an amount of USD 60,852,032 was reclassified to Citadel Capital Partners on 30 October 2024.

**2. Arab International Bank:**

Qalaa Holdings and its subsidiaries and related companies entered into a debt restructuring agreement with Arab International Bank effective in the third quarter of the 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.. 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.

On 4 September 2024, Qalaa Holdings announced the completion of the aforementioned debt settlement agreement.

According to the agreement, a wholly owned subsidiary took over Qalaa Holdings in its debt and will settle its outstanding loan of USD 44 million, on it's behalf. Consequently, the loan amount has been transferred to the subsidiary. The agreement also stipulates that Qalaa Holdings guarantees to cover any shortfall in the repayment installments.

Therefore, the company recorded a financial guarantee at fair value through the profit and loss statements for the subsidiary amounting to USD 29 million ,the difference between the transferred debt and the financial guarantee was recorded as re-evaluation on debt extinguishment Note (9).

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Financial assets and financial liabilities (continued)**

**2(f) Loans(continued)**

**3. Egyptian Banks :**

Qalaa Holdings 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"), 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. 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.

Settlement and waivers	Amount in EGP
Total debt before the settlement agreement	8,791,213
Other interest expense	253,561
Foreign currency exchange difference	6,348
Settlement through transfer of shares in Taqa Arabia (A)	(3,347,689)
Settlement through land plot in Tibeena 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)	4,361,267

The settlement includes the following:

**A. Shares in TAQA Arabia:**

In September 2024, Qalaa transferred 239,120,667 shares (17.68%) in TAQA Arabia to the Egyptian banks, and the balance of the loan was not reduced by the value of the shares due to the following reasons:

1. Qalaa 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. Qalaa 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.
2. The agreement imposes restrictions on the local banks on selling the transferred shares for five years till the call option period elapses.
3. Qalaa will maintain voting rights for the transferred shares in TAQA Arabia S.A.E. until the end of the call option period.

As per the agreement, Qalaa transferred the 239,120,667 shares in 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.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Financial assets and financial liabilities (continued)**

**2(f) Loans(continued)**

**B. Land Plot in Tibeena Area:**

Qalaa transferred a registered 60,127 sq.m. land plot overlooking the Nile in the Tibeena area in September 2024 owned by a wholly owned subsidiary, 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 company did not record the partial settlement of the loan from selling the Tibeena land 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. The company has paid an amount of EGP 151.6 million during the year 2024 and the remaining amount was paid in the subsequent period.

**D. Debt expected waiver in case of compliance with whole contract terms:**

Qalaa 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 all conditions of the agreement are fulfilled, the bank will calculate interest on the total amount at the previous interest rate in a separate account. The remaining debt and calculated interest will be released once all terms of the agreement are fully met.

Given these circumstances, the debt to the Egyptian banks has not been derecognized, as the conditions of the agreement have not yet been completely satisfied.

The total loans balance as of 31 December 2024 as follows:

<b>Current</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Citadal Capital partners*	3,093,644	-
Egyptian banks	8,899,523	-
QHRI Balance	9,145,915	-
<b>Balance</b>	<b>21,139,082</b>	<b>-</b>

\*On 30 October 2024, an assignment of rights agreement was concluded between QHRI Company and Citadel Capital Partners Company (the main shareholder) for an amount of USD 60,852,032.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Financial assets and financial liabilities (continued)**

**2(f) Loans(continued)**

This amount represents Citadel Capital Partners Company's share of the debt owed by Qalaa Holdings Company to QHRI Company, which QHRI had acquired from the relevant banks and financial institutions. This is part of the procedures to increase the issued capital of Qalaa Holdings Company enabling Citadel Capital Partners Company to subscribe to its share (whether in preferred or common shares) using the credit balance. It is stipulated that this assignment shall be non-transferable and may not be disposed of, pledged, traded, or endorsed until payment is made.

Citadel capital partners subscribed in the first phase of the debt purchase subscription with its full share (23.487%) amounting to USD 6,623,334. Furthermore, Citadel capital partners subscribed in the second phase of the debt purchase agreement with an amount of 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%. Accordingly, the main shareholder's assignment was completed with an amount of USD 60,852,032 out of the total USD 240,752,323. In case of the increase of Qalaa Holdings Company's issued capital was not completed, Qalaa Holdings Company shall be obligated to pay USD 7,128,239 to Citadel Capital Partners Company, in addition to paying USD 21,576,666 to QHRI Company to enable it to refund the value of the debt bonds to the beneficiaries. Furthermore, QHRI Company and Citadel Capital Partners Company shall agree to waive the remaining debt owed by Qalaa Holdings Company.

<b>Non-Current</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Sunrise service Egypt (LLC) *	640,400	-
<b>Balance</b>	<b>640,400</b>	<b>-</b>

On 22 May 2024, Qalaa Holdings 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 right in the USD 12 million loan to one of his related parties. Qalaa Holdings will pay a monthly interest rate for three years in the form of lease payments. Qalaa Holdings 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.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**3. Non-financial assets and financial liabilities**

**3(a) Fixed assets**

	Buildings	Computers	Furniture, fixture & office equipment	Vehicles	Software	Total
<b>1 January 2023</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 book value</b>	<b>6,749</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>7,594</b>	<b>14,382</b>
<b>Year ended 31 December 2023</b>						
<b>Net book value at the beginning of the year</b>	<b>6,749</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>7,594</b>	<b>14,382</b>
Depreciation	(1,687)	(39)	-	-	(7,371)	(9,097)
<b>Net book value</b>	<b>5,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223</b>	<b>5,285</b>
<b>31 December 2023</b>						
Cost	33,742	8,862	23,037	540	24,856	91,037
Accumulated depreciation	(28,681)	(8,862)	(23,037)	(540)	(24,632)	(85,752)
<b>Net book value</b>	<b>5,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>5,285</b>
<b>Year ended 31 December 2024</b>						
<b>Net book value at the beginning of the year</b>	<b>5,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>5,285</b>
Depreciation	(1,687)	-	-	-	(223)	(1,910)
<b>Net book value</b>	<b>3,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3,375</b>
<b>31 December 2024</b>						
Cost	33,742	8,862	23,037	540	24,856	91,037
Accumulated depreciation	(30,368)	(8,862)	(23,037)	(540)	(24,855)	(87,662)
<b>Net book value</b>	<b>3,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3,375</b>

*(i) Depreciation, method used and useful lives*

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

	2024	2023
General and administration expenses (note 6)	1,910	9,097
	<b>1,910</b>	<b>9,097</b>

The straight line method is used to allocate the depreciation of fixed assets consistently to their residual values over their estimated useful lives. Below are the estimated useful lives of each type of the Company's assets:

Buildings	20 years
Computers	2-3 years
Furniture, fixture, and office equipment	4 years
Vehicles	4 years
Software	2-3 Years

Notes to the separate financial statements - For the year ended 31 December 2024

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

Non-financial assets and financial liabilities (continued)

3(b) Investment in Subsidiaries

Company Name	Country of operation	Equity Interest 2024	Equity Interest 2023	2024	2023
<b>Investment in subsidiaries:</b>					
Citadel Capital for International Investments Ltd.	Egypt	100%	100%	3,809,016	3,809,016
Citadel Capital Holding for Financial consultancy-Free Zone	Egypt	99.99%	99.99%	1,350,002	1,350,002
National Development and Trading Company***	Egypt	47.65%	47.65%	1,214,769	668,171
ASEC Company for Mining (ASCOM)	Egypt	59.46%	54.05%	337,622	337,622
United Foundries Company***	Egypt	29.29%	29.29%	391,392	103,699
ASEC Cement Company **	Egypt	1.85%	1.85%	41,913	41,913
ASEC Trading Company	Egypt	99.85%	99.85%	49,999	4,999
International Company for Mining Consultation	Egypt	99.99%	99.99%	62	62
<b>Total Investment in subsidiaries</b>				<b>7,194,775</b>	<b>6,315,484</b>
Accumulated impairment loss ****				(771,870)	(771,870)
<b>Net Investment in subsidiaries</b>				<b>6,422,905</b>	<b>5,543,614</b>
<b>Investment in Joint Ventures:</b>					
Wathba for Petroleum services*	Egypt	49.90%	49.90%	49,900	24,950
<b>Total Investment in Joint Ventures</b>				<b>49,900</b>	<b>24,950</b>
<b>Total Investment in Subsidiaries and joint ventures</b>				<b>6,472,805</b>	<b>5,568,564</b>

\* On 4 September 2022, a new Company was established under the name of "Wathba for Petroleum Services". The Company's total issued capital is EGP 100 million where Qalaa's share is 49.9% with a total of EGP 49.9 million, as of December 2024, Qalaa has paid it's portion of the issued and paid-up capital amounting to EGP 49.9 Million. Additionally, Qalaa has paid amount of EGP 12.5 Million as payment under capital increase during the year ended December 2024.

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

- Qalaa has 49.9% of the ownership interest of "Wathba for Petroleum Services".
- Qalaa has 4 out of 8 of the board members of "Wathba for Petroleum Services" with a joint management control and equal voting rights.

\*\* Qalaa's direct investment in ASEC Cement represents 1.8%, the indirect ownership percentage is 49.38%, and therefore the effective ratio is 51.18%.

\*\*\* As disclosed in notes (2c) and (13) given The transaction was carried out between entities under the common control of QH, with QH acting in its capacity as the parent. As such, the resulting difference between the carrying amount of the old loan (net of previously recognized expected credit losses) and the present value of the new loan does not reflect a commercial gain or loss but rather a capital contribution by the parent. In accordance with the substance-over-form principle, this difference has been recognized as an increase in the parent's investment in the subsidiary.

During the year, National Development and Trading Company processed an early payment to Qalaa Holdings equivalent to EGP 271 million in addition of settling an amount of EGP 129.7 million, that was previously recorded in due to related parties (National Development and Trading Company) by deducting it's value from the loans to subsidiaries. According to the agreement between both parties bringing the total settled amount to EGP 400.7 million. The company recognized impairment no longer required based on early payment and settlement.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Non-financial assets and financial liabilities (continued)**

**3(b) Investment in Subsidiaries**

The loan is subsequently measured at amortized cost, with interest accrued using the effective interest rate method, taking into account the unwinding of the difference between the cash paid and fair value on initial recognition.

\*\*\*Accumulated impairment loss on investments in subsidiaries comprised of the following:

	2024	2023
National Development and Trading Company	668,171	668,171
United Foundries Company	103,699	103,699
	<b>771,870</b>	<b>771,870</b>

\*All investments in subsidiaries are represented in unlisted equity shares in the Stock Exchange except ASEC Company for Mining (ASCOM) with a market value of EGP 1.005 Billion as at 31 December 2024 (31 December 2023: EGP 1.609 Billion), which represents 29,727,683 shares with a market price EGP 33.83 per share as at 31 December 2024 (31 December 2023: 29,727,683 shares with a market price EGP 54.11).

Losses of impairment in the value of the Company's investments in ASEC Mining Company (ASCOM) are not recognized as the recoverable value of the investment is higher than its market value and book value. The Company tests for impairment of all its investments annually at the reporting date using the recoverable amount calculated based on the present value of the expected future cash flows from ASEC Mining Company (ASCOM).

**3(c) Payments under investments**

	2024	2023
Citadel Capital Holding for Financial Investments – Free Zone	2,604,785	2,604,785
Wathba for petroleum services	12,500	-
Project Under Construction - WAPHCO	4,674	4,674
Others	151,637	151,637
Accumulated impairment *	(151,637)	(151,637)
<b>Net</b>	<b>2,621,959</b>	<b>2,609,459</b>

\* The movement of accumulated impairment of payments under investment as follows:

	2024	2023
Balance at 1 January	151,637	151,637
<b>Balance at 31 December</b>	<b>151,637</b>	<b>151,637</b>



Notes to the separate financial statements - For the year ended 31 December 2024

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

**Non-financial assets and financial liabilities (continued)**

**3(c) Payments under investments (continued)**

**(i) Significant Estimates**

***Impairment of investment in subsidiaries and payments under investments***

The Company decides that the investment in subsidiaries and payment under investment were impaired when there is a significant or prolonged impairment to below their cost. This determination of what is significant or prolonged requires several factors that depend on judgement, industry, market, technological progress and financing and operating cash flows.

The company's management test the impairment of the investment in subsidiaries and payment under investment where impairment indicators identified, based on the recoverable amount for cash generating unit which is estimated by calculating the value in use by using net forecasted cash flow for the next five years. Management determine assumptions related to cash flow forecasting based on previous experience and market predictions by preparing business plans using the growth rate and the discount rate prevailing. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with forecasts included in industry reports specific to the industry where each CGU operates.

Assumptions used by the company when testing the impairment of investment in ASEC company for mining (ASCOM) at 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
Average gross margin	25%	27%
Sales growth rate	20%	19%
Pre-tax discount rate	68%	19.2%
Growth rate beyond five years	2%	10%

Assumption	Approach used to determine the values
<b>Growth rate</b>	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.
<b>Profit margin</b>	Estimations are based on the historical performance and management's expectation of the future.
<b>Discount rate before tax</b>	This rate reflects the risks related to the CGU and the industry where these units are adopted.

**Sensitivity of recoverable amounts**

The growth rate beyond five years has been estimated to be 2%. If all other assumptions kept the same, a reduction of this growth rate by 100% would give a value in use exceed the current carrying amount.

The discount rate in the forecast period has been estimated to be 68%. If all other assumptions kept the same, and the discount rate is 30% would give a value in use exceed the current carrying amount.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Non-financial assets and financial liabilities (continued)**

**3(d) Deferred tax balances**

	2024		2023	
	Asset	Liability	Asset	Liability
Fixed asset	353	-	-	(183)
Financial assets at fair value through other comprehensive income	-	(11,847)	-	-
	<b>353</b>	<b>(11,847)</b>	<b>-</b>	<b>(183)</b>
<b>Net deferred tax</b>		<b>(11,847)</b>		<b>(183)</b>

The movement of deferred tax liabilities was as follows:

	2024	2023
Balance at 1 January	(183)	(382)
Net deferred tax assets charged to profit or loss (note (10))	536	499
Net deferred tax assets charged to other comprehensive income (note 4(b))	(11,847)	(300)
	<b>(11,494)</b>	<b>(183)</b>

**3(e) Provisions**

	Claims Provisions	Legal provisions	Other provisions	Total
<b>Balance at 1 January 2023</b>	<b>293,658</b>	<b>28,563</b>	<b>26,675</b>	<b>348,896</b>
Provision No longer required	-	(23,624)	-	(23,624)
Provision formed (note (8))	8,000	-	-	8,000
Foreign exchange translation difference	-	4,735	6,190	10,925
<b>Balance at 31 December 2023 and 1 January 2024</b>	<b>301,658</b>	<b>9,674</b>	<b>32,865</b>	<b>344,197</b>
Reclassification to other credit balance	(6,410)	-	(30,893)	(37,303)
Provision formed (note (8))	8,000	-	-	8,000
<b>Balance at 31 December 2024</b>	<b>303,248</b>	<b>9,674</b>	<b>1,972</b>	<b>314,894</b>

Information usually published on the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with that party. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**4. Equity**

**4(a) Paid up capital**

The Company's authorized capital was EGP 10 Billion and the issued and paid-in capital is EGP 9.1 billion represents 1,820,000,000 shares distributed over 1,418,261,351 ordinary stocks and 401,738,649 preferred stocks. Preferred shares have the advantage of triple voting right comparing with ordinary share 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 principle shareholder of the Company. The shareholders' structure 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	62%	1,125,680,329	5,628,402
	<b>100%</b>	<b>1,820,000,000</b>	<b>9,100,000</b>

Note (25 c)

**4(b) Reserves**

	Legal Reserve*	Financial assets at fair value through other comprehensive income revaluation reserve	Shareholder's balance **	Other Reserves	Total
<b>Balance at 1 January 2023</b>	<b>89,578</b>	<b>(1,035)</b>	<b>-</b>	<b>(1,403,930)</b>	<b>(1,315,387)</b>
Revaluation of Financial assets at fair value through other comprehensive income – before tax (note 2(b))	-	(2,286)	-	-	(2,286)
Deferred tax (note 3(d))	-	(300)	-	-	(300)
Shareholder's balance	-	-	(639,457)	-	(639,457)
Foreign currency through OCI	-	-	-	(1,266,957)	(1,266,957)
<b>Balance at 31 December 2023 and 1 January 2024</b>	<b>89,578</b>	<b>(3,621)</b>	<b>(639,457)</b>	<b>(2,670,887)</b>	<b>(3,224,387)</b>
Revaluation of Financial assets at fair value through other comprehensive income – before tax (note 2(b))	-	52,653	-	-	52,653
Deferred tax (note 3(d))	-	(11,847)	-	-	(11,847)
<b>Balance at 31 December 2024</b>	<b>89,578</b>	<b>37,185</b>	<b>(639,457)</b>	<b>(2,670,887)</b>	<b>(3,183,581)</b>

**\* Legal Reserve**

In accordance with the company's Article of Association, 5% of the net profit for the period is transferred to the legal reserve account. Based on proposal from the board of directors and the approval of the General Assembly of the company, this transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. Whenever this reserve is lower than this percentage, the deduction should be continued. This reserve is not available for distribution to shareholders.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Equity (continued)**

**4(b) Reserves (continued)**

**\*\*Shareholder's balance**

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

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 favour 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 favour of Qalaa. This balance was recorded as a shareholder's balance amounting to EGP 1,378 billion. The due from CCP has been offset by CCP's management fees of EGP 738.65 million, 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.

Notes to the separate financial statements - For the year ended 31 December 2024

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

## Performance

### 5. Advisory Revenue

Advisory fee represents advisory services rendered to the subsidiaries by virtue of shareholders agreements:

	2024	2023
Falcon Agriculture Investments Ltd	111,710	78,064
Citadel Capital Transportation Opportunities II Ltd	48,436	33,847
ASEC for Cement	30,994	21,486
Silverstone Capital Investment Ltd	-	14,809
	<b>191,140</b>	<b>148,206</b>

### 6. General and administrative expenses

	2024	2023
Salaries, wages and other employee benefits	341,675	232,365
Legal expenses	131,098	2,599
Professional fees	79,986	30,616
Other expenses	17,614	14,796
Marketing, advertising and public relations	10,315	5,552
Travel and accommodation	7,106	6,834
Telecom expenses	3,916	3,037
Depreciation (Note 3(a))	1,910	9,097
Utilities	1,616	1,353
Rent expenses*	1,032	921
Donations	-	6,000
	<b>596,268</b>	<b>313,170</b>

\*Rent expenses includes low value and short term rent.

### 7. Net Impairment Losses in financial Assets

	2024	2023
Impairment in loans to subsidiaries (Note 2(c))	129,351	1,050,903
	<b>129,351</b>	<b>1,050,903</b>

### 8. Other Operating (expense)/Income

	2024	2023
Provisions for claim (Note 3(e))	(8,000)	(8,000)
Provision for Legal, claim and other – No longer Required (Note 3(e))	-	23,624
Operating loss in financial assets at fair value	(45,104)	-
Other operating expense	(46,752)	-
Other Operating Income	2,195	131,739
	<b>(97,661)</b>	<b>147,363</b>

Notes to the separate financial statements - For the year ended 31 December 2024

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

**9. Finance costs - net**

	2024	2023
Interest income**	315,875	587,580
Re-evaluation on debt extinguishment***	748,201	-
<b>Total finance income</b>	<b>1,064,076</b>	<b>587,580</b>
Interest expenses	(996,369)	(1,264,517)
Other interest expenses*	(500,873)	-
Loan Expenses	-	(6,024)
Net foreign exchange loss	(311,943)	-
<b>Total Finance costs</b>	<b>(1,809,185)</b>	<b>(1,270,541)</b>
<b>Net</b>	<b>(745,109)</b>	<b>(682,961)</b>

\*Other interest expense represents the interest calculated on the total debt amount at the previous interest rate under the original loan agreement. Refer to note (2 F).

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

	2024	2023
National Development and Trading Company*	172,103	467,766
Citadel Capital Holding for Financial Investments-Free Zone	115,956	76,112
United Foundries Company *	23,121	330
Other	4,695	3,288
National Multimodal Transportation	-	40,084
<b>Total</b>	<b>315,875</b>	<b>587,580</b>

\*Refer to disclosure loans to subsidiaries (2C).

\*\*\*This item includes unrealized income resulting from the present value calculation of the loan from the Arab International Bank, in accordance with Egyptian accounting standards. It will be subject to periodic review during the preparation of subsequent financial statements, with the necessary adjustments made accordingly, Refer to the Arab International Bank under the loan disclosure (2F).

**10. Income tax**

	2024	2023
Deferred tax (Note 3(d))	536	499
	<b>536</b>	<b>499</b>

The tax expense on the Company'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 loss before tax	(1,031,924)	(2,490,124)
Tax calculated at enacted tax rate	(232,183)	(560,278)
Non-deductible expenses for tax purposes	315,698	211,786
Unrecognized tax losses	767,988	417,365
unrecognized expenses	(850,967)	(68,374)
<b>Income tax expense</b>	<b>536</b>	<b>499</b>

Notes to the separate financial statements - For the year ended 31 December 2024

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

## Cash flows

### 11. Cash flow information

#### 11 (a) Non cash transactions

The non-cash transaction represent as follows:

	2024	2023
<b>Investing activities</b>		
Foreign / (loss) through OCI	-	(1,266,957)
Changes in fair value of financial assets at fair value through OCI	52,653	(2,586)
- An amount of EGP 834,291,000 has been eliminated from loans to subsidiaries against the same amount from Investment in subsidiaries regarding the loan to subsidiaries settlement.		
- An amount of EGP 45,000,000 has been eliminated from due to related parties against the same amount from Investment in subsidiaries.		
- Qalaa Holdings has recorded a financial guarantee of fair value amounting to USD 29 million for a wholly owned subsidiary that will settle the Arab International Bank outstanding loan		
- An amount of EGP 37,303,000 has been eliminated from provision against the same amount from other payable.		

#### 11 (b) Reconciliation of liabilities arising from financing activities

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

	Borrowings
<b>Balances at 1 January 2023</b>	<b>10,831,602</b>
Cash flows	
Principal payable	479,000
Interest payments	-
Non-cash changes	
Interest accrual	1,230,172
Foreign exchange adjustments	2,427,798
Settlement of bridge loan	(1,629,000)
<b>Balance at 31 December 2023</b>	<b>13,339,572</b>
Cash flows	
Payments	(172,932)
Interest payments	-
Non-cash changes	-
Interest accrual	1,478,991
Foreign exchange adjustments	8,324,549
Classification to other financial liability	(1,190,698)
<b>Balance as at 31 December 2024</b>	<b>21,779,482</b>

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Unrecognised items**

**12. Contingent liabilities**

The Company has contingent liabilities in respect of letter of guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, The balance of the letters of guarantee granted by the Company during the ordinary course of business amounted to USD 125K in 2024 (2023: USD 125K ).

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

The same parties on 31 December 2014 have commercially agreed, and Qalaa for Financial Investments S.A.E. thus guarantees, that the disposal by the Company of the investment shares shall achieve to the former shareholders a specific target cash return of US \$25.3 million (Target Return), to be unconditionally made available to the former shareholder no later than the longstop date on 30 September 2017. Therefore, the Company management at the end of each reporting period is measuring the fair value of Qalaa for Financial Investments capital increase by reference to quoted market price of the share and measure the outstanding liability to reach the agreed target return.

Fair value of the outstanding liability recognized On “Citadel Capital for International Investments Ltd.” as of 31 December 2024 is EGP 1,571 million equivalent to US \$30.9 (31 December 2023: EGP 869.8 million equivalent to US \$28.1 million).

The other financial liabilities' balance represents the financial guarantee at fair value recorded by Qalaa Holding against both the Arab International Bank loan settlement and Olyan settlement.



Notes to the separate financial statements - For the year ended 31 December 2024

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

Other information

13. 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 year also the accrued balances at the date of separate financial position .

13. (a) Due from related parties

Company name	Nature of relationship	Nature and volume of transaction				2023
		Advisory fee	Finance	Forex	2024	
Mena Home furnishings Mall	Subsidiary	-	-	105,083	267,841	162,758
Falcon Agriculture Investments Ltd.	Subsidiary	111,710	-	603,972	1,624,695	909,013
Golden Crescent Investments Ltd.	Subsidiary	-	-	76,098	193,963	117,865
Citadel Capital Transportation Opportunities Ltd.	Subsidiary	-	-	13,520	15,390	1,870
Logria Holding Ltd.	Investee	-	-	109,780	279,812	170,032
Mena Glass Ltd.	Investee	-	-	68,534	174,682	106,148
Sabina for Integrated Solutions	Subsidiary	-	-	21,941	55,923	33,982
Citadel Capital Financing Corp.	Subsidiary	-	-	130,938	333,742	202,804
Citadel Capital Transportation Opportunities II Ltd.	Subsidiary	48,436	-	304,186	768,938	416,316
Citadel Capital Holding for Financial Investments-Free Zone	Subsidiary	-	127,613	2,818,482	6,623,449	3,677,354
ASEC Company for Mining (ASCOM)	Subsidiary	-	4,765	(1,207)	16,495	12,937
United Foundries Company	Subsidiary	-	(47,612)	196,475	497,533	348,670
Citadel Capital for International Investments Ltd.	Subsidiary	-	(160,639)	1,491,831	2,020,093	688,901
Africa Raliways Limited	Subsidiary	-	-	36,009	91,781	55,772
Mena Joint Investment Fund management S.A	Subsidiary	-	-	46,717	119,074	72,357
Citadel Capital Joint Investment and Management limited Fund	Subsidiary	-	-	10,715	27,308	16,593
Africa JIF Holdco I fund	Subsidiary	-	-	14,167	36,109	21,942
Cronall Holdings Ltd.	Subsidiary	-	-	35,241	89,825	54,584
International Company for Mining Consultation	Subsidiary	-	-	-	140	140
Grandview Investment Corp	Subsidiary	-	6,460	22,530	54,446	25,456
ASEC Cement	Subsidiary	30,989	(7,245)	7,390	31,134	-
<b>Total</b>					<b>13,322,373</b>	<b>7,095,494</b>
Accumulated impairment loss *					(5,026,816)	(3,051,405)
<b>Net</b>					<b>8,295,557</b>	<b>4,044,089</b>

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Related party transactions (continued)**

**13. (a) Due from related parties (continued)**

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

	Balance as at 1 January 2023	Formed	Write off	Foreign exchange differences	Balance as at 31 December 2024
Logria Holding Ltd.	170,032	-	-	109,780	279,812
Citadel Capital Financing Corp.	202,804	-	-	130,938	333,742
Golden Crescent Investments Ltd.	117,865	-	-	76,098	193,963
Sabina for Integrated Solutions	33,982	-	-	21,941	55,923
Citadel Capital Transportation Opportunities Ltd.	1,870	-	-	13,520	15,390
Mena Glass Ltd.	106,148	-	-	68,534	174,682
Africa Raliways Limited	55,772	-	-	36,009	91,781
Crondall Holdings Ltd.	54,584	-	-	35,241	89,825
Citadel Capital Holding for Financial Investments-Free Zone	1,582,298	-	-	1,021,596	2,603,894
Citadel Capital for International Investments Ltd.	563,292	-	-	356,671	919,963
Mena Home Furnishings Mall	162,758	-	-	105,083	267,841
<b>Balance</b>	<b>3,051,405</b>	<b>-</b>	<b>-</b>	<b>1,975,411</b>	<b>5,026,816</b>

**13 (b) Due to related parties**

	Nature of relationship	Nature and volume of transaction			2024	2023
		Advisory fee	Finance	Forex		
National Development and Trading Company	Subsidiary	-	(1,306,146)	33,627	-	1,272,519
ASEC Cement Company	Subsidiary	-	(1,186)	(4,644)	-	5,830
Asec Trading Company	Subsidiary	-	47,319	76,195	295,381	171,867
Citadel Capital for International Investments Ltd.	Subsidiary	-	(574,268)	182,487	523,612	915,393
Ahmed Heikal	Chairman	-	-	101	944	843
FHI*	Shareholder	-	314,214	11,981	476,350	150,155
<b>Total</b>					<b>1,296,287</b>	<b>2,516,607</b>

\*On March 31, 2024, Qalaa Holdings executed a settlement agreement with Financial Holdings International Ltd (FHI) that resolves most of Qalaa Holdings and its subsidiaries' obligations to FHI and transfers FHI's ownership in some of Qalaa Holdings' subsidiaries. It is worth noting that FHI has interests in several of Qalaa Holdings' subsidiaries and is also a creditor to Qalaa Holdings and some of its subsidiaries.

Under the agreement, FHI will transfer its shares in several of Qalaa Holdings' subsidiaries to Qalaa Holdings, including:

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Related party transactions (continued)**

**13(b) Due to related parties (continued)**

The National Company for Development and Trade (which owns the ASEC Group operating in the cement sector and related industries) and United Foundries Company.

This transfer will result in Qalaa Holdings' direct and indirect ownership in these two companies reaching approximately 100%. Additionally, FHI will transfer its stake in Citadel Capital Transportation Opportunities Ltd (CCTO), which owns the National Ports Company. FHI will also settle most of Qalaa Holdings' and its subsidiaries' previous obligations and return all related guarantees. FHI will assign to Qalaa Holdings' subsidiaries its rights to collect debts from:

- National Company for Development and Trade, with a balance of \$192 million as of December 31, 2023.
- United Foundries Company, with a balance of \$8 million as of December 31, 2023.

In exchange, approximately \$13.2 million will be paid to FHI, with \$4.2 million already paid and the remaining \$9 million was supposed to be settled by September 30, 2024 but it has not been settled yet. Under this agreement, Qalaa Holdings will also transfer its indirect ownership (27.21%) in the National Printing Company to FHI, with Qalaa Holdings retaining the right to repurchase this stake within two years if desired.

**13 (c) Key Management Compensation**

Key management personnel received total benefits during the year with an amount of EGP 28.3 million in 31 December 2024 represented in salaries and other benefits (31 December 2023: EGP 19 million).

**13 (d) Terms and conditions**

Transactions relating to Advisory fees during the year 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 year was 11.5% (2023: 11.5%).

Outstanding balances are secured and are repayable in cash.

**13 (e) Impairment of loans to related parties and due from related parties**

Impairment 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. Impairment is recognised for amounts due from related parties whose credit position, as believed by the management, does not allow them to pay their dues. The amount of the loss is measured as the difference between the carrying amount of the asset and the present value of future cash flows discounted at the original effective interest rate of the financial asset, and the carrying amount is reduced directly to the related parties balance by making a provision for impairment of related parties' balance.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Related party transactions (continued)**

**13(F) Loans to related parties**

The change in the terms of the loan is accounted for as an extinguishment of the original loan and the recognition of a new loan at fair value. As a result of the non- market interest rate (nil) inherent in the loan, there will be a difference between the cash paid and fair value on initial recognition. This difference should be accounted for in accordance with the substance of transaction. However, the loan receivable should be classified at amortized cost factoring in ECL, following a modification that results in derecognition of the original financial asset. The financial asset would be recognized as originated credit- impaired financial asset.

During the year, National Development and Trading Company processed an early payment to Qalaa Holdings equivalent to EGP 271 million in addition of settling an amount of EGP 129.7 million, that was previously recorded in due to related parties (National Development and Trading Company) by deducting it's value from the loans to subsidiaries. According to the agreement between both parties bringing the total settled amount to EGP 400.7 million. The company recognized impairment no longer required based on early settlement and payment

The loan is subsequently measured at amortized cost, with interest accrued using the effective interest rate method, taking into account the unwinding of the difference between the cash paid and fair value on initial recognition.

**14. Basic and diluted loss per share**

Basic loss per share is calculated by dividing the net loss of the year by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Net Loss for the year	(1,031,388)	(2,489,625)
Weighted average number of ordinary shares	1,820,000	1,820,000
<b>Loss per share - EGP</b>	<b>(0.567)</b>	<b>(1.368)</b>

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 company does not have any categories of dilutive potential ordinary shares; hence, the diluted earnings per share is the same as the basic loss per share.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**15. Employee stock option plan**

The holding Company's extraordinary general assembly meeting held on 20 February 2008 approved to add a new article to the 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 BOD announces to stock market, the intention to renew the expired ESOP plan for eight years starting from the approval of FRA on the plan. On 10 December 2018, Qalaa 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 2023, the Holding Company's extraordinary assembly approved the amendment of the Employees' Stock Options Plan (ESOP) policy which was presented to the extraordinary assembly on 10 December 2018. The renewed ESOP 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 2023, 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.

**16. Management fees**

On May 2008, Qalaa for Financial Investments' Extraordinary Shareholders' Meeting approved the management contract between the Company and its parent, Citadel Capital Partners, upon which, Citadel Capital Partners will manage the company and will be entitled to 10% share of the Company's distributable consolidated net profit for the year.

Subsequently, the Company's General Assembly Meeting held on 25 July 2019 decided the interpretation and application of the management fee calculation to Citadel Capital Partners Ltd. (CCP) which will be based on 10% of the controlling interest share in consolidated net profit after deducting the non-controlling interest share from the consolidated profit.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**17. Tax position**

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:

**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 2023**

- The Tax returns are submitted on time.

**B) Payroll tax**

**The period since inception to 2004**

- The tax dispute for that period was inspected and settled.

**The years from 2005 till 2019**

- The company was inspected, and the legal dates were appealed, and the dispute was referred to the internal committee of the tax authority.

**The years from 2020 till 2024**

- Annual settlements are submitted to the tax authority.

**C) Stamp tax**

**The period since inception to December 2013**

- The tax dispute for that period was inspected and settled.

**The period from 2014 to 2024**

- No inspection was done for that period.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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## **Risk**

### **18. Critical accounting estimates and judgements**

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

#### **18 (a) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

- Expected credit loss of investment in subsidiaries and payments under investments - **note 3(c)**
- Expected credit loss of loans to related parties and due from related parties- **note 13(e)**
- Expected credit loss of trade receivables and other receivables – **note 2 (a)**
- Provision for income tax – **note (10)**
- Provisions - **note (8)**
- Impairment of fixed assets - **note (3) (a)**
- Depreciation of fixed assets - **note (3) (a)**
- Contingent assets
- Contingent liabilities
- Liabilities for expected costs from profit-sharing and bonus plans

#### **18 (b) Significant professional judgments in the application of the Company's accounting policies**

In general, the application of the Company's accounting policies does not require management to use professional judgment (other than the accounting estimates and assumptions referred to in note 19 which may have a material impact on the recognized values in the financial statements).

### **19. Financial risk management**

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

The Company's management aims to minimise the potential adverse effects of those risks on its financial performance, through monitoring process performed by the finance department and the Board of Directors.

The Company does not use any derivative financial instruments to hedge specific risks.

**Notes to the separate 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)**

**19 (a) Market risk**

**(i) Foreign exchange risks**

Foreign 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 Company while keeping all other variables constant, on the separate statement of comprehensive income:

	2024	2023
USD 60% (70% 2023)	(6,349,512)	(9,965,188)
Euro 60% (70% 2023)	(2,078,968)	(1,438,282)
GBP 60% (70% 2023)	(34,896)	(16,255)

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

	2024			2023
	Assets	Liabilities	Net	Net
USD	15,770,722	(19,739,167)	<b>(3,968,445)</b>	<b>(5,861,875)</b>
Euro	143	(1,299,498)	<b>(1,299,355)</b>	<b>(846,048)</b>
GBP	1,424	(23,234)	<b>(21,810)</b>	<b>(9,562)</b>

**(ii) Price risk**

The Company have investments in equity securities listed and traded in financial markets, accordingly subject to risk of change in the fair value of the investments as a result of the changes in prices, whereas the Company have investment in ASEC for Mining, listed in the Egyptian stock exchange.

**(iii) Cash flows, fair value and interest rate risks**

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in interest rates.

The Company is exposed to interest rate risk on all interest bearing assets and liabilities (loans due from subsidiaries and loans). The Company maintains an appropriate mix of fixed rate and variable rate borrowings to manage the interest rate risk.

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while holding the other variables constant, on the separate statement of profit or loss.



Notes to the separate 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)**

**19 (a) Market risk**

**(iii) Cash flows, fair value and interest rate risks**

The sensitivity on the separate statement of profit or loss is the effect of the assumed changes in the interest rates on the Company's results for one year based on financial assets and liabilities with variable interest rates at 31 December:

	Increase/ decrease	Effect on separate profit or loss
31 December 2024	±8%	1,742,359
31 December 2023	±8%	1,067,166

**Libor reform**

In July 2017, the United Kingdom Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), announced that the interest benchmark would cease after 2022. LIBOR is one of the most common series of benchmark interest rates. LIBOR reforms will be dealt with between the company and the lending banks according to the facility agreements. We continue to assess the impact of LIBOR reform. Our LIBOR exposures arise from: interest on foreign currency bank loan.

**19 (b) Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only high-credit-quality and rating banks and financial institutions are accepted.

Balances exposed to credit risks are as follows:

	2024	2023
Due from related parties	8,295,557	4,044,089
Loan to subsidiaries	254,917	1,464,876
Other receivables	153,979	5,852
Cash and bank balances	43,913	159,431
	<b>8,748,366</b>	<b>5,674,248</b>

Impairment of other receivables movement represented as follows:

	2024	2023
Balance at 1 January	7,571	7,571
	<b>7,571</b>	<b>7,571</b>

**Notes to the separate 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)**

**19 (c) Liquidity risk**

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.

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 31 December 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

	<b>Below 6 month</b>
<b>31 December 2024</b>	
Loans	21,139,082
Other payables	3,448,349
Due to related parties	1,296,287
<b>Total</b>	<b>25,883,718</b>
<b>31 December 2023</b>	
Loans	13,339,572
Other payables	1,220,102
Due to related parties	2,516,607
<b>Total</b>	<b>17,076,281</b>

**20. Capital risk management**

The Company's objectives when managing capital are to safeguard the Company'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 Company also aims to maintain an optimal capital structure to reduce the cost of capital.

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

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Capital risk management (continued)**

The Company 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.

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

	2024	2023
<b>Total borrowings</b>		
Loans	21,779,482	13,339,572
<b>Less: Cash and bank balances</b>	(43,913)	(159,431)
<b>Net debts</b>	<b>21,735,569</b>	<b>13,180,141</b>
Equity	(8,984,580)	(3,551,879)
<b>Total capital</b>	<b>12,750,989</b>	<b>9,628,262</b>
<b>Net debts to total capital</b>	<b>171%</b>	<b>137%</b>

**21. Financial assets and liability offset**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Company 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 Company 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 Company's balance sheet if all set-off rights were exercised.

	Effects of offsetting on the balance sheet			Related amounts not offset		
	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)
<b>31 December 2024</b>						
<b>ASSETS</b>						
Other receivables	153,979	-	153,979	-	-	153,979
Due from related parties	8,295,557	-	8,295,557	-	-	8,295,557
Cash and cash equivalent	43,913	-	43,913	-	-	43,913
<b>Total assets subject to offsetting, master netting and similar arrangement</b>	<b>8,493,449</b>	<b>-</b>	<b>8,493,449</b>	<b>-</b>	<b>-</b>	<b>8,493,449</b>
<b>LIABILITIES</b>						
Creditor and other credit balances	2,257,651	1,190,698	3,448,349	-	-	3,448,349
Due to related parties	1,296,287	-	1,296,287	-	-	1,296,287
Loans	22,970,180	(1,190,698)	21,779,482	-	-	21,779,482
<b>Total liabilities subject to offsetting, master netting and similar arrangement</b>	<b>26,524,118</b>	<b>-</b>	<b>26,524,118</b>	<b>-</b>	<b>-</b>	<b>26,524,118</b>

Notes to the separate financial statements - For the year ended 31 December 2024

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

**Financial assets and liability offset (continued)**

	Effects of offsetting on the balance sheet			Related amounts not offset		
	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)
<b>31 December 2023</b>						
<b>ASSETS</b>						
Other receivables	10,009	-	10,009	-	-	10,009
Due from related parties	4,044,089	(688,901)	3,355,188	-	-	3,355,188
Cash and cash equivalent	159,431	-	159,431	-	-	159,431
<b>Total assets subject to offsetting, master netting and similar arrangement</b>	<b>4,213,529</b>	<b>(688,901)</b>	<b>3,524,628</b>	<b>-</b>	<b>-</b>	<b>3,524,628</b>
<b>LIABILITIES</b>						
Creditor and other credit balances	1,220,104	-	1,220,104	-	-	1,220,104
Due to related parties	2,516,607	(688,901)	1,827,706	-	-	1,827,706
Loans	13,339,572	-	13,339,572	-	-	13,339,572
<b>Total liabilities subject to offsetting, master netting and similar arrangement</b>	<b>17,076,283</b>	<b>(688,901)</b>	<b>16,387,382</b>	<b>-</b>	<b>-</b>	<b>16,387,382</b>

**22. Summary of significant accounting policies**

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

**22 (a) Basis of preparation of the separate financial statements**

**(i) Compliance with EAS**

The separate financial statements of Qalaa for Financial Investments "S.A.E." have been prepared in accordance with Egyptian Accounting Standards (EAS), Egyptian Accounting Standards Interpretations (EAI) and relevant laws. and on the basis of the historical cost convention, except for financial assets at fair value through other comprehensive income, which are measures at the fair value. The separate financial statements comply with the Egyptian Accounting Standards and its modifications as issued by the Minister of Investment and International Cooperation on 18 March 2020.

**(ii) Historical cost convention**

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

- Financial assets at fair value through other comprehensive income

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (a) Basis of preparation of the separate financial statements (continued)**

**(iii) Going concern**

**Critical judgement with respect to the going concern of the Company**

For the year ended 31 December 2024, the Company reported a net loss of approximately EGP 1 billion, compared to a net loss of EGP 2.5 billion in the prior year. This has further contributed to the accumulation of losses, which stood at approximately EGP 17.6 billion as of 31 December 2024 (31 December 2023: EGP 12.1 billion).

As of 31 December 2024, the Company's operations were primarily financed through borrowings and bank facilities totaling EGP 21.8 billion, of which EGP 640 million are classified as non-current. The Company held cash and cash equivalents amounting to EGP 43.9 million. Key disclosures relevant to the Company's liquidity position include:

- Details of borrowings, including collateral arrangements, debt covenants, repayment terms, and interest rates (Note 2(f));
- Movements in financing-related liabilities (Note 9);
- Debt-to-total capital ratio (Note 20);
- Maturity analysis of borrowings (Note 19(c));
- Cash and cash equivalents (Note 2(d)).

As of 31 December 2024, the Company's current liabilities exceeded its current assets by EGP 17.7 billion (31 December 2023: EGP 11.9 billion). These conditions indicate the presence of material uncertainties that may cast significant doubt on the Company's ability to meet its financial obligations as they fall due and, consequently, its ability to continue as a going concern.

Qalaa Holdings' management actively pursued measures to address the Company's high leverage as a result. The 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 Holdings 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 significantly thereby strengthening the Company's working capital position.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (a) Basis of preparation of the separate financial statements (continued)**

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

- If the Company fails to make profits 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.

The management team has developed a robust and comprehensive five-year cash flow forecast for the next 5 years , which is subject to ongoing review and refinement to ensure it reflects the latest business developments and market conditions. These forecasts play a critical role in the company's financial oversight, serving as a foundational input in the regular assessment of non-current assets for potential impairment. The assumptions and methodologies underpinning these evaluations are carefully documented and aligned with industry best practices. Notably, no impairment losses were recognized on non-current assets during the reporting period.

**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 continues operational and EBITDA growth year on year.
- Management continues 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 financial institutions, with a balance of EGP 21.8 billion outstanding as at 31 December 2024 represented as follows:
  - A balance of EGP 12.2 billion due to Qalaa Holding Restructuring Ltd "QHRI" (a company that was established in accordance with the laws of the British Virgin Islands) and Citadel Capital Partners Ltd (Note 2F).
  - A balance of EGP 8.9 billion due to Egyptian banks, Refer to Note 2(F)
  - An amount of EGP 640.4 million due to Sunrise Service Egypt, Refer to Note 2(F)

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (a) Basis of preparation of the separate financial statements (continued)**

**Other initiatives**

Management continues to maintain a more relaxed cash flow impact from operating expenses either through deferring payments or cost cutting policies.

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 year ended 31 December 2024 have been prepared on a going concern basis.

**(iv) Classification of assets and liabilities**

The Company presents its assets and liabilities in separate 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 month after the end of the reporting year, or
- \* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve month after the reporting year.

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 month after the end of the reporting year, or
- \* The entity does not have an unconditional right to defer the settlement of the liability for at least twelve month after the end of the reporting year.

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

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (b) Foreign currency translation**

**1. Functional and presentation currency**

The separate financial statements of the Company are measured and presented using the currency of the primary economic environment in which the Company operates ('the functional currency'). The separate financial statements are presented in Egyptian Pounds, which is the Company's functional and presentation currency.

**2. 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. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

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..

**22 (c) Fixed assets**

The Company applies the cost model at measurement of fixed assets, and the fixed assets are recognised on their costs net of the accumulated depreciation and accumulated impairment losses. The cost of fixed assets includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the Company.

The Company recognises subsequent costs of the acquisition of the fixed asset as a separate asset, only when it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably. The Company recognises in the carrying value of fixed asset the cost incurred to replace part of that asset at the date such costs are borne and depreciated over which lower, its useful life or the remaining useful life of the asset and the carrying amount of replaced parts are derecognised. The Company recognises the costs of daily servicing of the fixed assets in the statement of profit or loss.

The depreciation methods and periods used by the Company are disclosed in **Note 3 (a)**



**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (c) Fixed assets (continued)**

The Company reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each financial 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 its 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 book value of the item, and the gain or loss resulting from the disposal of fixed assets is included in the statement of profit and loss.

**22 (d) Investments in subsidiaries and joint ventures**

Investments in subsidiaries and joint ventures is accounted for using the cost method. Investment in subsidiaries in the separate financial statements is stated at cost. The Cost method require recognition of investment at cost and recording of investment income to the extent of dividends distribution received from investee. The subsidiaries are entities controlled by the Company, a subsidiary is separate when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

**22 (e) Impairment of non-financial assets**

Intangible assets that have an indefinite useful life or intangible assets not ready to use are tested annually for impairment at the date of financial statements.

Non-financial assets that have definite useful lives, and they are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the asset incurred impairment losses.

The asset is tested for impairment by comparing its carrying amount with 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 Compared at the lowest levels for which there are largely independent cash inflows from other inflows of assets or Company's of assets (cash-generating units).

The Company recognises impairment losses in the statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

At the end of each financial year the Company assesses whether there is an indication that the impairment loss of any asset other than goodwill, which is recognised in prior years are not impaired, the Company then evaluates the recoverable amount of that asset.

Impairment losses recognised in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Loss of impairment, which 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.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (f) Investment and other financial assets**

**(i) Classification**

The Company 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 Company's financial asset at amortized cost comprise of trade receivables, other receivables 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 Company 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 Company 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 Company 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 Company has transferred substantially all the risks and rewards of ownership.

**(iii) Measurement**

At initial recognition, the Company 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 profit or loss.

**(iv) Debt instruments**

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

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (f) Investment and other financial assets (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 OCI, except for the recognition of impairment gains or losses, interest revenue
- and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to 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 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 profit or loss and presented net within other gains/(losses) in the period in which it arises.

**(v) Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company'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 Company'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.

**(vi) Impairment**

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;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- 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.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (f) Investment and other financial assets (continued)**

The Company defines default as a situation when the exposure meets one or more of the following criteria:

- the debtor is more than 120 days past due on its contractual payments;
- 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 Company.

**22 (g) 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 Company 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 Company's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Company's cash flows.

**22 (h) Cash and cash equivalents**

In the separate 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 month from the date of placement, less bank overdrafts.

**22 (i) Financial liabilities**

**i. Classification**

The Company classifies its financial liabilities as financial liabilities at fair value through profit and loss and other financial liabilities. The classification of the financial liability depends on the purpose of acquisition at the initial recognition.

**ii. Recognition and derecognition**

A financial asset is recognised in the statement of financial position when - and only when - the Company becomes a party to the contractual provisions of the financial liability. The Company removes the financial liability (or part of it) from the statement of financial position when it is disposed, cancelled or expired.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (i) Financial liabilities (continued)**

The Company accounts for the exchange between an existing borrower and lender of debt instruments with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of it) extinguished or transferred to another party including non-amortised expenses, and the consideration paid to settle the liability are recognised in separate statement of profit or loss.

**iii. Measurement**

At initial recognition, the Company measures the financial liabilities at fair value plus transaction costs, except for financial liabilities at fair value through profit or loss where all other attributable costs are charged to the statement of profit or loss. The other financial liabilities, represented in Other payables, and bank loans, are subsequently measures at amortised cost using the effective interest method.

**22 (j) Capital**

Ordinary shares are classified within equity. Share premiums, 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 issue expenses (net of any advantage related to their income taxes) from the amount of share premium.

Where Company repurchases the Company's equity instruments (Treasury shares), the consideration paid or received in exchange of those instruments, is deducted from Owner's equity.

**22 (k) Preferred shares**

The Company's preference shares are all non –redeemable and are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variance number of the Company's equity instruments. Discretionary dividends there on are recognized as equity distributions on approval by the Company's shareholders.

**22 (l) Current and deferred 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.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (l) Current and deferred income tax (continued)**

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 separate 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.

**22 (m) Employees' benefits**

The Company operates various employees' benefits schemes, including defined contribution plans.

**i. Pension obligations**

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity (fund). The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

The defined contribution plan is a pension plans under which the Company pays fixed contributions to the General Authority for Social Insurance on mandatory basis. The Company

has no further liabilities once its obligations are paid. The regular contributions are recognised as periodic cost for the year in which they are due and as such are included in staff costs.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**Summary of significant accounting policies (continued)**

**22 (m) Employees' benefits (continued)**

**ii. Termination benefits Profit-sharing and bonus plans**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company 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 costs and benefits obligation are initially measured. The Company measures and recognises the subsequent changes in accordance to the nature of the benefits based on the number of employees expected to accept the offer of

**Summary of significant accounting policies (continued)**

benefits. Where it is not expected to settle the benefits falling due before 12 month after the end of the reporting year, the benefits are discounted to their present value.

**iii. Profit-sharing and bonus plans**

The Company recognises a liability and an expense for expected bonuses and profit-sharing (other than the employees' share in legally defined profits), when the Company has a legal or constructive obligation as a result of past events; and the amount can be reliably estimated. The obligation will remain outstanding when the Company has no realistic alternative but to pay.

**iv. Employees' share in legally defined profits**

The Company recognises expected cash dividends as the employees' share in accordance with the companies' articles of association, to be included as part of dividends in equity, and as liabilities when the ordinary general assembly meeting of the shareholders of the company approved the proposed dividends. The Company does not record any liabilities in the employees' share of undistributed dividends.

**22 (n) Leases**

**- Finance lease**

Until 31 December 2019, leases within the scope of law 95 of 1995, lease costs including maintenance expense of leased assets are recognised in the statement of profit or loss in the year they are incurred. When the company decided to exercise the right to purchase the leased item, the cost of the right to purchase was capitalised as a fixed asset, which is depreciated over the useful life of the expected remaining life of the asset in the same method followed with similar assets.

**- Operating lease**

Leases in which the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as expense in the separate statement of profit or loss on a straight-line basis over the period of the lease.



**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (n) Leases (continued)**

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 Company. 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 payment 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 can be determined, or the Company's incremental borrowing rate.

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.

Payments associated with short-term leases and 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.

**22 (O) Borrowings**

The Company recognises borrowings initially at fair value plus any directly attributable transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the original value (net of transaction costs) and value at the date of maturity is recognised in the statement of profit or loss over the year 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 the Company expects that all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 month after the date of the separate financial statements.



**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (P) 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 year of time 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.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Company determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the year because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Company recognises other borrowing costs as expenses in the year the Company incurs such costs.

**22 (q) Provisions, contingent liabilities and contingent assets**

**(i) Provisions**

Provisions are recognised when the Company 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 Company recognises the commitments required for restructuring and not related to the Company'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 Company disclosed its contingent liabilities in its note to the separate financial statements.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (q) Provisions, contingent liabilities and contingent assets (continued)**

**(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 Company control. The Company 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.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Company, 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 Company settles the obligation. The amount recognised should not exceed the amount of the provision.

**22 (R) Revenue recognition**

Revenue is income arising in the course of the Company's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised services to a customer, excluding the amounts collected on behalf of third parties.

**i. Advisory Fees**

Advisory revenues should be recognised on an accruals basis in accordance with the relevant agreement's substance.

**ii. Interest income**

Interest income from financial assets at FVPL is included in the net fair value gains /(losses) on these assets, see (note 9). 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.

**iii. Dividend 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.

**22 (s) Dividends**

Dividends are recognised as liabilities in the separate financial statements at the end of the financial year in which the dividends are approved by the Company's General Assembly of Shareholders.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Summary of significant accounting policies (continued)**

**22 (t) Comparative figures**

Where necessary, comparative figures are reclassified to conform to changes in presentation in the current year.

**22 (u) Losses 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 14).

**(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.

Basic loss per share is calculated by dividing the net loss of the year by the weighted average number of ordinary shares in issue during the year.

Notes to the separate financial statements - For the year ended 31 December 2024

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

**23. 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 Standards	Amendment Summary	Application date
<b>Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"*</b>	<p><b>"Scope of the standard"</b> The scope of the standard has been amended to include "determining the spot exchange rate when exchangeability between two currencies is lacking."</p> <p><b>"Measurement"</b> - 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.</p> <p>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.</p> <p>-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).</p> <p><b>"Disclosures"</b> Some new disclosures have been added to the spot exchange rate..</p>	The company must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.
<b>Egyptian Accounting Standard No. (17) "The Separate financial statements"</b>	<p><b>"Scope of the standard"</b> 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."</p> <p><b>"Measurement"</b> - when an entity prepares separate financial statements, it must account for investments in subsidiaries, in entities under common control, and in sister companies:</p>	The entity must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.

Notes to the separate financial statements - For the year ended 31 December 2024

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

Accounting Standards	Amendment Summary	Application date
	<p>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. .</p> <p>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.</p> <p><b>"Disclosures"</b> Some new disclosures have been added.</p>	
<p><b>Egyptian Accounting Standard No. (34)</b> <b>"Investment in properties"</b></p>	<p><b>"Scope of the standard"</b> 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.</p> <p><b>"Measurement"</b> - "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.</p> <p><b>"Disclosures"</b> Some new disclosures have been added.</p>	<p>The entity must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.</p>

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**23. Summary of material modifications of the Egyptian Accounting Standards 2024 (continued)**

On March 3, 2024, the prime minister has issued decree No. 636, amending the Egyptian Accounting Standard No.13 (EAS 13) "the effect of changes in foreign currency exchange rates", paragraph 57A, effective from 1 January 2024.

The company has applied the amendment in paragraph EAS13.57A and made an assessment to determine whether there is lack of exchangeability of foreign currencies against the Egyptian Pound. Below is summary of the outcome of that assessment.

**A) Lack of Exchangeability assessment**

The company assessed that there is no lack of exchangeability for assets denominated in foreign currencies as at 1 January 2024, the date of application of EAS 13 revised. This assessment was made on the premise that assets denominated in foreign currencies may be exchanged at the bank at any point of time without any difficulty.

- The company also assessed that there is no lack of exchangeability for liabilities denominated in foreign currencies, to the extent that foreign currency assets may be used to settle these liabilities. However, liabilities denominated in foreign currencies in excess of own assets denominated in foreign currencies, as at 1 January 2024, will not be sourced within the banking system, in a reasonable period of time. Therefore, it was assessed that lack of exchangeability exists for these balances, amounting to US\$ 195 million, EURO 25 million and GBP 243 k.
- To make an estimate of a reasonable exchange rate to use because of the lack of exchangeability of the Egyptian Pound against the US Dollar, the company determined that the first rate that was available to the Group (US\$1=EGP49.5003) to source foreign currency subsequent to the application date of the revised standard will best represent a spot rate to use to translate the foreign currency liabilities that face lack of exchangeability at 1 January 2024.

**B) Currency Position**

Below is a summary of assets and liabilities denominated in foreign currency as at 1 January 2024:

	Balance as of 31 December 2023 USD	Balance as of 31 December 2023 EUR	Balance as of 31 December 2023 GBP
<b>Assets</b>			
Cash and cash equivalents	239	1.6	-
Account receivables	181	-	-
Due from related parties	265,727	-	9.3
<b>Total</b>	<b>266,147</b>	<b>1.6</b>	<b>9.3</b>
<b>Liabilities</b>			
Loans	(431,843)	-	-
Due to related parties	(29,877)	(495)	(252)
Trade payables	-	(24,318)	-
<b>Total</b>	<b>(461,720)</b>	<b>(24,813)</b>	<b>(252)</b>

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

**23. Summary of material modifications of the Egyptian Accounting Standards 2024 (continued)**

**B) Currency Position (continued)**

The following table represent the book value of non-exchangeable monetary liabilities affected on 1 January 2024, and their effects on opening retained earnings:

Description	31 December 2024			
	Foreign currency	Balance in foreign currency	Difference of using the estimated exchange rate profit / (loss)	Restated
			EGP	EGP
Non-exchangeable liabilities	USD	(195,573)	(3,951,038)	<b>(3,951,038)</b>
	EUR	(24,811)	(490,130)	<b>(490,130)</b>
	GBP	(243)	(5,754)	<b>(5,754)</b>
<b>Net</b>			<b>(4,446,922)</b>	<b>(4,446,922)</b>

**24. Significant Events**

- A) 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
- B) The Prime Minister issued Decision No. (636) of 2024 on March 3, 2024, amending certain provisions of the Egyptian Accounting Standards, including revisions to existing standards. These amendments to the accounting standards were published in the Official Gazette on March 3, 2024, and will be applied to financial periods starting on or after January 1, 2024. The amendments include:
- Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Exchange Rates"
  - Egyptian Accounting Standard No. (17) "Separate Financial Statements"
  - Egyptian Accounting Standard No. (34) "Investment Property"
  - Interpretation of Egyptian Accounting Standard No. (2) "Carbon Emission Reduction Certificates"
- 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 management 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 company 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 management has taken steps to ensure the company 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) On 31 March 2024, Qalaa Holdings 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.

**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**Significant Events (continued)**

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

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.

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.

- E) 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 Holdings 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 (2F) for more details.
- F) Qalaa Holdings 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 (2F) for more details.



**Notes to the separate financial statements - For the year ended 31 December 2024**

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

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**25. Subsequent events**

- 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.
- B)** 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, equivalent to EGP 11,563,406,309 as shown in the financial position of 30 June 2024. 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.
- C)** 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.
- D)** On June 19, 2025, the FRA approved the submitted Form 48, which was published on the EGX screen.
- E)** On June 13, 2025, an intense armed conflict erupted in the Middle East, which may impact the Egyptian economy and alter consumer trends. The company is currently evaluating how this conflict affects its operations. Given the company's diverse portfolio, the conflict's impact will be multifaceted. The company'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 company is carefully assessing these dynamics to understand the net effect on its overall performance.