



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

LIMITED REVIEW REPORT AND INTERIM
CONDENSED SEPARATE FINANCIAL
STATEMENTS FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2024

Content

Limited review report	1
-----------------------	---

Financial statements

Interim condensed separate statement of financial position	2
Interim condensed separate statement of profit or loss	3
Interim condensed separate statement of comprehensive income	4
Interim condensed separate statement of changes in equity	5
Interim condensed separate statement of cash flows	6

Notes to the interim condensed separate financial statements

Introduction	7
Financial assets and financial liabilities	7
Non-financial assets and liabilities	12
Profit and loss information	13
Related party transactions	15
Profits/ (Losses) per share	18
Basis of preparation of the interim condensed separate financial statements	18
Going concern	22
New accounting standards	24
Significant Events	25
Subsequent Events	26

Limited review report on the interim condensed separate financial statements

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

Introduction

We have conducted a limited review for the accompanying interim condensed separate statement of financial position of Qalaa for Financial Investments (S.A.E.) (the "Company") as of 31 March 2024 and the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate financial statements in accordance with the Egyptian Accounting Standard 30 "Interim financial reporting", and our responsibility is to express a conclusion on these interim condensed separate financial statements based on our limited review.

Scope of the limited review


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

Conclusion


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

Emphasis of matter

Without qualifying our conclusion, and as described in note (8) to the interim condensed separate financial statements, the Company had accumulated losses of EGP 16.17 billion as of 31 March 2024 and its current liabilities exceeded its current assets by EGP 16.97 billion as at that date. In addition, as of that date, the Company was in breach of its debt covenants and had defaulted in settling its loan instalments on the respective due dates. These events and conditions along with other matters disclosed in note (8) to the interim condensed separate financial statements, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The interim condensed separate financial statements do not include the adjustments that would be necessary if the Company is unable to continue as a going concern.


Wael Sakr
R.A.A. 26144
F.R.A. 381
**PricewaterhouseCoopers Ezzeldeen,
Diab & Co.**
Public Accountants & Consultants

17 September 2024
Cairo


Hassan Basomi
F.R.A. 98
**B.T. Mohamed Hilal & Wahid Abdel
Ghaffar**
Accountants & Consultants



QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2024



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

Interim condensed separate statement of financial position - As of 31 March 2024

	Note	31 March 2024	31 December 2023
Non-current assets			
Fixed assets	3(b)	4,640	5,285
Investments in subsidiaries and joint ventures	3(a)	6,588,162	5,568,564
Financial assets at fair value through other comprehensive income		20,102	7,069
Payments under investments		2,609,459	2,609,459
Loans to subsidiaries	2(a)	129,039	175,993
Total non-current assets		9,351,402	8,366,370
Current assets			
Loans to subsidiaries	2(a)	-	1,288,883
Other debit Balances		12,491	10,009
Due from related parties	5(a)	7,041,256	4,044,089
Cash and bank balances	2(b)	40,662	159,431
Total current assets		7,094,409	5,502,412
Total assets		16,445,811	13,868,782
Equity			
Paid up capital		9,100,000	9,100,000
Reserves		88,805	85,957
Accumulated losses		(16,176,106)	(12,098,379)
Shareholder's contribution		(639,457)	(639,457)
Net deficit		(7,626,758)	(3,551,879)
Non-current liabilities			
Deferred tax liabilities		227	183
Total Non-current liabilities		227	183
Current liabilities			
Provisions		360,519	344,197
Other credit balances	2(d)	1,718,355	1,220,102
Due to related parties	5(b)	1,092,370	2,516,607
Loans	2(c)	20,901,098	13,339,572
Total current liabilities		24,072,342	17,420,478
Total equity and liabilities		16,445,811	13,868,782

- The accompanying notes on pages 7 to 27 form an integral part of these interim condensed separate financial statements.
- Limited review report attached

Tarek El Gammal
Chief Financial Officer

Hisham El Khazindar
Managing Director

Ahmed Mohamed Hassanien Heikal
Chairman

17 September 2024

QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2024



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

Interim condensed separate statement of profit or loss
For the three months period ended 31 March 2024

	Note	31 March 2024	31 March 2023
Advisory revenue	4(a)	33,510	40,110
General and administrative expenses		(97,199)	(72,898)
Net Impairment Losses on Financial Assets		(129,351)	(697,666)
Other operating income		252	-
Operating loss		(192,788)	(730,454)
Finance income	4(c)	889,606	135,773
Finance costs	4(c)	(337,512)	(333,350)
Profit/(Loss) before income tax		359,306	(928,031)
Income tax	4(d)	783	256
Net profit/(Loss) for the period		360,089	(927,775)
<u>Profit/ (Loss) per share for the period:</u>			
Basic and diluted profit/(loss) per share from losses (EGP/Share)	6	0.20	(0.51)

- The accompanying notes on pages 7 to 27 form an integral part of these interim condensed separate financial statements.

QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2024



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

Interim condensed separate statement of comprehensive income
For the three months period ended 31 March 2024

	31 March 2024	31 March 2023
Net profit/(loss) for the period	360,089	(927,775)
Change in Financial assets at fair value through other comprehensive income	3,676	-
Unrealized Forex gains from financial assets at fair value	9,105	-
Unrealized Forex losses	-	(1,186,759)
Income tax relating to these items	(827)	-
Total comprehensive income (loss) for the period	372,043	(2,114,534)

- The accompanying notes on pages 7 to 27 form an integral part of these interim condensed separate financial statements.

QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2024



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

Interim condensed separate statement of changes in equity
For the three months period ended 31 March 2024

	Paid up capital	Reserves	Accumulated losses	Shareholder's contribution	Total / (Net) Equity
Balance at 1 January 2023	9,100,000	88,543	(8,341,797)	-	846,746
Total comprehensive loss for the period	-	-	(927,775)	-	(927,775)
Net losses from foreign exchange	-	-	(1,186,759)	-	(1,186,759)
Balance at 31 March 2023	9,100,000	88,543	(10,456,331)	-	(1,267,788)
Balance at 1 January 2024 Before EAS 13	9,100,000	85,957	(12,098,379)	(639,457)	(3,551,879)
The effect of application of EAS 13 "Revised" (Note 9-C)	-	-	(4,446,922)	-	(4,446,922)
Balance at 1 January 2024 after EAS 13	9,100,000	85,957	(16,545,301)	(639,457)	(7,998,801)
Total comprehensive profit for the period	-	2,848	369,195	-	372,043
Balance at 31 March 2024	9,100,000	88,805	(16,176,106)	(639,457)	(7,626,758)

- The accompanying notes on pages 7 to 27 form an integral part of these interim condensed separate financial statements.

QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2024



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

Interim condensed separate statement of cash flows
For the three months period ended 31 March 2024

	Note	31 March 2024	31 March 2023
Cash flows from operating activities			
Profit/(Loss) before income tax		359,306	(928,031)
Adjusted to:			
Fixed assets depreciation	3(b)	645	2,286
Interest expense	4(c)	337,512	333,350
Interest income	4(c)	(148,863)	(135,773)
Net Impairment Losses on financial Assets		129,351	697,666
Unrealized foreign exchange gains		(329,908)	-
Other Income		(252)	-
Operating profit/(loss) before changes in working capital		347,791	(30,502)
Changes in working capital:			
Other debit balances		(2,066)	(146)
Due from related parties		(35,110)	(27,763)
Other credit balances		(365,753)	26,301
Due to related parties		-	12,347
Net cash flows used in operating activities		(55,138)	(19,763)
Cash flows from finance activities			
Due from related parties		402,050	(115,012)
Due to related parties		(438,534)	137,452
Net cash flows (used) in / generated from finance activities		(36,484)	22,440
Cash flows from investing activities			
Payments for investments		(24,950)	-
Net cash flows used in investing activities		(24,950)	-
Net change in cash and cash equivalents		(116,572)	2,677
Cash and cash equivalents at beginning of the period		159,431	8,184
Effect of exchange rate in cash and cash equivalents		(2,197)	-
Cash and cash equivalents at end of the period	2(b)	40,662	10,861

- The accompanying notes on pages 7 to 27 form an integral part of these interim condensed separate financial statements.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

1. Introduction

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

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

The Extraordinary General Assembly of the Company decided on 20 October 2013 to approve the Company's conditions of work in accordance with the Capital Market Law and its Executive Regulations as a company engaged in the purpose of establishing companies and participating in increasing the capital of companies in accordance with the provisions of Article 27 of the Capital Market Law and 122 of its executive regulations. The necessary legal procedures have been initiated after completion of all necessary legal procedures to increase the company's capital until the situation is reconciled according to the new capital of the company.

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

These interim condensed separate financial statements has been authorised by the company's Board of Directors on 17 September 2024, and the Shareholders' General Assembly has the right to modify the interim condensed separate financial statements after being issued.

Users of these interim condensed separate financial statements should read them together with Company's interim condensed consolidated financial statements for 31 March 2024 in order to obtain full information on financial position, results of operations, cash flow and changes in equity of the Company as a whole.

2. Financial assets and financial liabilities

2(a) Loans to subsidiaries

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

	31 March 2024	31 December 2023
<u>Current</u>		
National Development and Trading Company	-	4,546,346
	-	4,546,346
Less: Accumulated impairment loss*	-	(3,257,463)
	-	1,288,883
<u>Non-current</u>		
National Development and Trading Company	123,930	-
United Foundries Company	5,109	367,824
Less: Accumulated impairment loss**	-	(191,831)
	129,039	175,993
	129,039	1,464,876

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

2. Financial assets and financial liabilities (continued)

2(a) Loans to subsidiaries (continued)

According to the agreement dated March 31, 2024, signed between Qalaa Holdings, the National Development and Trading Company, and United Foundries Company, the outstanding debts owed by them will be converted from U.S. dollars to Egyptian pounds, effective from March 31, 2024. The parties agree 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 (Note 5- F).

** 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 recognised on initial recognition. However, an entity should recognise, 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 amortised 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.

* The movement in impairment of loans due from subsidiaries:

	31 March 2024	31 December 2023
Balance at 1 January	3,449,294	2,089,808
Formed during the period	129,351	1,050,903
Foreign currency exchange loss differences	1,128,137	308,583
Adjustments **	(4,706,782)	-
	<u>-</u>	<u>3,449,294</u>

2(b) Cash and bank balances

	31 March 2024	31 December 2023
Bank Current accounts – local currency	8,862	151,920
Cash on hand	2,671	6,961
Bank Current accounts – foreign currency	29,129	550
	<u>40,662</u>	<u>159,431</u>

The average effective interest rate on deposits at 31 March 2024 was 16.5% (31 December 2023: 12.5%). Time deposits and current accounts with banks are placed with local banks under the supervision of Central Bank of Egypt.

2(c) Loans

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

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

2. Financial assets and financial liabilities (continued)

2(c) Loans (continued)

The new loan amount is divided into three classes:

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

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

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

The total loans balance as of 31 March 2024:

	31 March 2024	31 December 2023
First Class	6,047,545	3,956,896
Second Class	5,341,250	3,494,768
Accrued Interest	9,512,303	5,887,908
Balance	20,901,098	13,339,572

* the company has entered into agreements to settle the loan as detailed in Note (11).

2(d) Other credit balances

	31 March 2024	31 December 2023
Tax authority	224,140	218,497
Accrued expenses	605,358	412,544
Former shareholder credit balances*	444,400	292,310
Trade and notes payable	441,223	293,587
Dividends payable	2,894	2,894
Social insurance authority	340	270
Total other payables balances	1,718,355	1,220,102

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

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

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

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

2. Financial assets and financial liabilities (continued)

2(e) Maturities of financial liabilities

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

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

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

	Below 1 year
31 March 2024	
Loans	20,901,098
Other credit balances	1,718,355
Due to related parties	1,092,370
Total	23,711,823
31 December 2023	
Loans	13,339,572
Other credit balances	1,220,102
Due to related parties	2,516,607
Total	17,076,281

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.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

2. Financial assets and financial liabilities (continued)

2(e) Maturities of financial liabilities (continued)

The table below shows the financial assets and liabilities at fair value in the separate financial statements at 31 March 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 March 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through other comprehensive income	-	20,102	-	20,102
Total financial assets	-	20,102	-	20,102

The table below shows the financial assets at fair value in the interim condensed 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
Financial assets				
Financial assets at fair value through other comprehensive income	-	7,069	-	7,069
Total financial assets	-	7,069	-	7,069

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

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

3. Non-financial assets and liabilities

3(a) Investments in subsidiaries and joint ventures

Company Name	Country of operation	Equity Interest 2024	Equity Interest 2023	31 March 2024	31 December 2023
Investment in subsidiaries:					
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%	1,264,889	668,171
ASEC Company for Mining (ASCOM)	Egypt	54.05%	54.05%	337,622	337,622
United Foundries Company ***	Egypt	29.29%	29.29%	456,629	103,699
ASEC Cement Company **	Egypt	1.80%	1.80%	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
Total Investment in subsidiaries				7,310,132	6,315,484
Accumulated impairment loss ****				(771,870)	(771,870)
Net Investment in subsidiaries				6,538,262	5,543,614
Investment in Joint Ventures:					
Wathba for Petroleum services*	Egypt	49.90%	49.90%	49,900	24,950
Total Investment in Joint Ventures				49,900	24,950
Total Investment in Subsidiaries and joint ventures				6,588,162	5,568,564

* 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 100M where Qalaa's share is 49.9% with a total of EGP 49.9M, Qalaa has paid 50% of the total mentioned amount (EGP 24.95M) as paid-up capital as of 31 December 2023 and paid 24.95M in 2024.

The management have 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 (2A) and (5F) given the entities are under common control of QH and the transaction is led by QH, the parent, this difference should be accounted for in accordance with the substance of the transaction. The substance is a capital contribution from the parent. This difference should be accounted for in accordance with the substance of the transaction, the substance is a capital contribution because the difference arises from the parent acting in its capacity as parent/shareholder, in which case it is reflected as an additional investment in the subsidiary.

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

	31 March 2024	31 December 2023
National Development and Trading Company	668,171	668,171
United Foundries Company	103,699	103,699
	771,870	771,870

Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024

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

3. Non-financial assets and liabilities

3(b) Fixed assets

	Buildings	Computers	Furniture, fixture & office equipment	Vehicles	Software	Total
31 December 2023						
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)
Net carrying value	5,061	-	-	-	224	5,285
Period ended 31 March 2024						
Net book value at the beginning of the period	5,061	-	-	-	224	5,285
Depreciation expense	(422)	-	-	-	(223)	(645)
Net book value	4,639	-	-	-	1	4,640
31 March 2024						
Cost	33,742	8,862	23,037	540	24,856	91,037
Accumulated depreciation	(29,103)	(8,862)	(23,037)	(540)	(24,855)	(86,397)
Net carrying value	4,639	-	-	-	1	4,640

4. Profit and loss information

4(a) Advisory Revenue

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

	31 March 2024	31 March 2023
Falcon Agriculture Investments Ltd	19,566	19,366
Citadel Capital Transportation Opportunities II Ltd	8,483	8,397
Silverstone Capital Investment Ltd	-	7,366
ASEC for Cement	5,461	4,981
	33,510	40,110

4(b) Significant items

	31 March 2024	31 March 2023
Expenses		
Impairment in loans to subsidiaries	129,351	702,944
Salaries, wages and other employees benefits	77,470	55,184

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

4. Profit and loss information (continued)

4(c) Finance costs - net

	31 March 2024	31 March 2023
Credit interest*	152,940	135,773
Net foreign current translation profit	736,666	-
Total finance income	889,606	135,773
Interest expenses	(337,512)	(333,350)
Total Finance costs	(337,512)	(333,350)
Net	552,094	(197,577)

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

	31 March 2024	31 March 2023
National Development and Trading Company*	129,351	113,566
Citadel Capital Holding for Financial Investments-Free Zone	19,429	15,197
National Multimodal Transportation	-	6,886
United Foundries Company	83	81
Other	4,077	43
	152,940	135,773

* A full impairment provision has been made for the accrued credit interest during the period related to loans given to the National Development and Trading Company.

4(d) Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. There is no material change in the effective tax rate for the period as compared to prior period.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

5. Related party transactions

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

(a) Due from related parties

Company name	Nature of relationship	Nature and volume of transaction			31 March 2024	31 December 2023
		Advisory fee	Finance	Forex		
Mena Home furnishings Mall	Subsidiary	-	-	85,994	248,752	162,758
Falcon Agriculture Investments Ltd.	Subsidiary	19,566	-	490,618	1,419,197	909,013
Golden Crescent Investments Ltd.	Subsidiary	-	-	62,274	180,139	117,865
Citadel Capital Transportation Opportunities Ltd.	Subsidiary	-	-	3,847	5,717	1,870
Logria Holding Ltd.	Investee	-	-	89,837	259,869	170,032
Mena Glass Ltd.	Investee	-	-	56,084	162,232	106,148
Sabina for Integrated Solutions	Subsidiary	-	-	17,955	51,937	33,982
Citadel Capital Financing Corp.	Subsidiary	-	-	107,152	309,956	202,804
Citadel Capital Transportation Opportunities II Ltd.	Subsidiary	8,483	-	247,352	672,151	416,316
Citadel Capital Holding for Financial Investments-Free Zone	Subsidiary	-	210,686	2,310,043	6,198,083	3,677,354
ASEC Company for Mining (ASCOM)	Subsidiary	-	25	(1,001)	11,961	12,937
United Foundries Company	Subsidiary	-	(5,468)	173,036	516,238	348,670
Citadel Capital for International Investments Ltd.	Subsidiary	-	(613,740)	1,191,766	1,266,927	688,901
Africa Raliways Limited	Subsidiary	-	-	29,467	85,239	55,772
Mena Joint Investment Fund management S.A	Subsidiary	-	-	38,230	110,587	72,357
Citadel Capital Joint Investment and Management limited Fund	Subsidiary	-	-	8,768	25,361	16,593
Africa JIF Holdco I fund	Subsidiary	-	-	11,593	33,535	21,942
Crondall Holdings Ltd.	Subsidiary	-	-	28,839	83,423	54,584
International Company for Mining Consultation	Subsidiary	-	-	-	140	140
Grandview Investment Corp	Subsidiary	-	6,447	18,448	50,351	25,456
ASEC Cement company	Subsidiary	5,461	-	4,751	10,212	-
Total					11,702,007	7,095,494
Accumulated impairment loss *					(4,660,751)	(3,051,405)
Net					7,041,256	4,044,089

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

5. Related party transactions (continued)

5 (a) Due from related parties (continued)

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

	Balance as at 1 January 2024	Formed	Write off	Foreign exchange differences	Balance as at 31 March 2024
Logria Holding Ltd.	170,032	-	-	89,837	259,869
Citadel Capital Financing Corp.	202,804	-	-	107,152	309,956
Golden Crescent Investments Ltd.	117,865	-	-	62,274	180,139
Sabina for Integrated Solutions	33,982	-	-	17,955	51,937
Citadel Capital Transportation Opportunities Ltd.	1,870	-	-	3,847	5,717
Mena Glass Ltd.	106,148	-	-	56,084	162,232
Africa Raliways Limited	55,772	-	-	29,467	85,239
Crondall Holdings Ltd.	54,584	-	-	28,839	83,423
Citadel Capital Holding for Financial Investments-Free Zone	1,582,298	-	-	836,017	2,418,315
Citadel Capital for International Investments Ltd.	563,292	-	-	291,880	855,172
Mena Home furnishings Mall	162,758	-	-	85,994	248,752
Balance	3,051,405	-	-	1,609,346	4,660,751

5(b) Due to related parties

	Nature of relationship	Nature and volume of transaction			31 March 2024	31 December 2023
		Advisory fee	Finance	Forex		
National Development and Trading Company	Subsidiary	-	(1,295,057)	30,824	8,286	1,272,519
ASEC Cement Company	Subsidiary	-	(1,771)	(4,059)	-	5,830
Asec Trading Company	Subsidiary	-	(204,698)	63,109	30,278	171,867
Citadel Capital for International Investments Ltd.	Subsidiary	-	-	137,487	1,052,880	915,393
Ahmed Heikal	Chairman	-	-	83	926	843
FHI	Shareholder	-	(150,155)	-	-	150,155
Total					1,092,370	2,516,607

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:

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

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

5. Related party transactions (continued)

5(b) Due to related parties (continued)

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:

- The 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 to be settled by September 30, 2024. 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.

5(c) Key Management Compensation

Key management personnel received total benefits during the period with an amount of EGP28.3M million in 31 March 2024 represented in salaries and other benefits (31 March 2023: EGP 19.8 million)

5 (d) Terms and conditions

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

The loans to related parties are repayable between 1 to 15 years from the reporting date. The average interest rate on the loans to related parties during the period was 11.5% (31 December 2023 – 11.5%).

Outstanding balances are secured and are repayable in cash.

5(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 interim condensed separate financial statements
For the three months ended 31 March 2024**

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

5. Related party transactions (continued)

5(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, following a modification that results in derecognition of the original financial asset. The financial asset would be recognized as originated credit- impaired financial asset.

6. Profits/(Losses) per share

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

	31 March 2024	31 March 2023
Net profit (loss) for the period	360,089	(927,775)
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000	1,820,000
Earnings/ (losses) per share (EGP)	0.20	(0.51)

Diluted profit/(losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have any categories of dilutive potential ordinary shares on 31 March 2024 and 31 March 2023, hence the diluted profits /(Losses) per share is the same as the basic profits/ (Losses) per share.

7. Basis of preparation of the interim condensed separate financial statements

Compliance with EAS

The interim condensed separate financial statements for the financial period ended 31 March 2024 have been prepared in accordance with the requirements of the Egyptian Accounting Standard (30) "Interim Financial Statements".

These interim condensed separate financial statements doesn't contain all the information required in preparing the full annual financial statements and should be read in conjunction with the Company's annual separate financial statements as at 31 December 2023.

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

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

7. Basis of preparation of the interim condensed separate financial statements (continued)

Summary of material modifications of the Egyptian Accounting Standards 2024

On 3 March 2024, The Prime Minister issued Resolution No. 636 of 2024, amending some provisions of the Egyptian Accounting Standards, which include some new accounting standards and amendments to some existing standards. Accordingly, these amendments to accounting standards were published in the Official Gazette on 3 March 2024. The most significant amendments are summarized as follows, which will be implemented for financial periods beginning on or after 1 January 2024.

Accounting standard	Amendment summary	Application date
Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"*	<p>"Scope of the standard" The scope of the standard has been amended to include "determining the spot exchange rate when exchangeability between two currencies is lacking."</p> <p>"Measurement" - A currency that is difficult to exchange with another currency at the measurement date may later become exchangeable with that other currency, and the entity may conclude that the first subsequent exchange rate meets the conditions mentioned in paragraph 19A, and when the price does so, the entity may use this price as the estimated spot exchange rate.</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>	The company must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

Accounting standard	Amendment summary	Application date
Egyptian Accounting Standard No. (17) "The Separate financial statements"	<p>"Disclosures" Some new disclosures have been added to the spot exchange rate.</p> <p>"Scope of the standard" The scope of the standard has been amended to include "the use of the equity method in accounting for investments in subsidiaries, associates and joint companies."</p> <p>"Measurement" - when an entity prepares separate financial statements, it must account for investments in subsidiaries, in entities under common control, and in sister companies: 1- At cost 2- According to Egyptian Accounting Standard No. (47) Financial Instruments 3- Using the equity method as described in Egyptian Accounting Standard No. (18) Investments in Associated Companies.</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>"Disclosures" Some new disclosures have been added.</p>	The entity must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

Accounting standard	Amendment summary	Application date
Egyptian Accounting Standard No. (34) "Investment in properties"	<p>"Scope of the standard" The scope of the standard has been amended to include: "An entity must choose either the fair value model or the cost model as its accounting policy and must apply that policy to all of its investment in properties.</p> <p>"Measurement" - "Fair Value Model" After initial recognition, the entity must measure all its investment in properties at fair value - the gain or loss arising from the change in fair value must be included in the profit or loss for the period in which this change arises or through other comprehensive income for one time in the life of the asset. Or investment - in the event that the book value of investment in properties increases as a result of evaluating it at fair value, and the increase is recorded in other comprehensive income and collected within equity under the title of investment in properties evaluation surplus at fair value. However, the increase must be proven from profit and loss to the extent that it reflects a decrease. In evaluating the same investment, it was previously recognized in profit and loss.</p> <p>"Disclosures" Some new disclosures have been added.</p>	The entity must apply these amendments from the beginning of annual reporting periods beginning on or after 1 January 2024.

* The company has applied Paragraph "57A" of Egyptian Accounting Standard No. 13 issued on 3 March 2024, due to foreign currencies lack of exchangeability to meet its obligations in foreign currencies from Egyptian banks. Therefore, the company has decided to use the first exchange rate at which the company can obtain foreign currencies.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

8. Going concern

The Company has made a net profit of approximately EGP 360 million for the period ended 31 March 2024 (31 March 2023: EGP 928 million loss). And the changes in accounting policies (note 9) by amount 4.4 billion. This has further increased the Company's accumulated losses amounted to approximately EGP 16.17 billion as at 31 March 2024 (31 December 2023: EGP 12.09 billion).

As at 31 March 2024, the Company is financed by borrowings and bank facilities to the amount of EGP 20.9 billion. The Company had EGP 40.6 million of cash and cash equivalents.

During the financial period, the Company was in breach of its existing debt covenants.

As a result of the breaches and defaults, an amount of EGP 20.9 billion was repayable on demand and the loans have been classified as current liabilities as at 31 March 2024. As a result, the Company's current liabilities exceeded its current assets by EGP 16.97 billion (31 December 2023: EGP 11.9 billion).

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

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

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

Assessment of cash flow forecasts produced by management

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

Management has prepared a comprehensive cash flow forecast for the next 5 years of the business which has been subject to Board review and challenge. These cash flows are consistently used for purposes of

testing the non-current assets for impairment and details of the assessments and key assumptions, During the period, no impairment losses were recognized against noncurrent assets.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

8. Going concern (continued)

Key areas in determining the Company is a going concern

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

Operational Activity

- The company show continuous operational and EBITDA growth year on year.
- Management continuous to maintain a more relaxed cash flow impact from operating expenses either through deferring payments or cost cutting policies.
- Loans from financial institutions, with a balance of 20.9 billion outstanding as at 31 March 2024, The company's ordinary general assembly decided on May 30, 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 February 1, 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 (Note 11).

Liquidity Position

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

Other initiatives

- Management continuous 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 period ended 31 March 2024 have been prepared on a going concern basis.

The company invited for an extraordinary general assembly on September 26, 2024 to consider the continuity of the company in accordance with the Egyptian companies Law No. 159 of 1981, paragraph No. 69, which requires the board of directors to invite for an extraordinary general assembly meeting of shareholders to decide on the continuity of the Company's activities.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

9. New accounting standards

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

Statement of financial positions line item	Balance as of 31 December 2023 USD	Balance as of 31 December 2023 EUR	Balance as of 31 December 2023 GBP
Assets			
Cash and cash equivalents	239	1,6	-
Other debit balances	181	-	-
Due from related parties	265,727	-	9,3
Total	266,147	1,6	9,3
Liabilities			
Loans	(431,843)	-	-
Due to related parties	(29,877)	(495)	(252)
Trade payables	-	(24,318)	-
Total	(461,720)	(24,813)	(252)

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

9. New accounting standards (continued)

C) Monetary effect of applying EAS 13 Revised

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	Foreign currency	Balance in foreign currency	Difference of using the estimated exchange rate profit / (loss)	Effect on R.E Increase / (decrease)
			EGP	EGP
Nonexchangeable liabilities	USD	(195,573)	(3,951,038)	(3,951,038)
	EUR	(24,811)	(490,130)	(490,130)
	GBP	(243)	(5,754)	(5,754)
Net			(4,446,922)	(4,446,922)

10. Significant events

A) The Central Bank increased interest rates by 200 basis points, bringing the rate to 22.25% from 20.25%, following a decision by the Monetary Policy Committee. On February 1, 2024, the Monetary Policy Committee decided in an extraordinary meeting on March 6, 2024, to raise the overnight deposit rate, the overnight lending rate, and the central bank's main operation rate by 600 basis points to 27.25%, 28.25%, and 27.75%, respectively. The discount rate was also increased by 600 basis points to 27.75%.

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 Group conducted an assessment of the key impacts of the conflict on the economy, which included a level of disruptions in the supply chain due to the conflict's impact on navigational routes in the Red Sea. This led to a general increase in shipping prices because of the increase in insurance and shipping costs. The Group was mildly affected by supply chain disruptions during the year ended 2023, as there was a low reliance on the shipment coming through the Red Sea. The company 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.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

10. Significant events (continued)

D) 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.

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.

11. Subsequent events

A) Qalaa Holdings signed a debt settlement agreement with Bank of Egypt, Bank of Cairo, Arab African International Bank, and Kuwait National Bank. Under this agreement, Qalaa Holdings will settle its total debt amounting to 4.547 billion EGP by:

- 1) Selling 239,120,667 shares (17.68%) in Taqa Arabia Company while retaining the right to repurchase these shares within five years. The banks have the right to resell these shares to QH in the sixth year.
- 2) Transferring a registered land area of 60,127 square meters overlooking the Nile in the Tebein area.
- 3) Compensating for changes in exchange rates and stock prices.

Additionally, Qalaa Holdings and its subsidiaries signed a debt restructuring agreement with Arab International Bank, which involves restructuring and settling the loans owed to Arab International Bank through the payment of 184 million USD in installments from 2024 to 2033. A variable interest rate equal to SOFR will be applied annually. Arab International Bank will also benefit from an enhanced security package.

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

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2024**

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

11. Subsequent events (continued)

B) The company's ordinary general assembly decided on May 30, 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 February 1, 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 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 agreements serve to reduce Qalaa's debt levels and financing costs.

C) 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.