



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

LIMITED REVIEW REPORT AND INTERIM
CONDENSED SEPARATE FINANCIAL
STATEMENTS FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2025

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Limited review report

On the interim condensed separate financial statements

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

Introduction

We have conducted a limited review for the accompanying interim condensed separate statement of financial position of Qalaa for Financial Investments (S.A.E.) (the "Company") as of 31 March 2025 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 statements", and our responsibility is to express a conclusion on these interim condensed separate financial statements based on our limited review.

Scope of the limited review

We have conducted our limited review in accordance with the Egyptian Standard on 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.

Basis for qualified conclusion

Bank confirmations in respect of balances due to banks amounting to EGP 8.9 billion as of 31 December 2024 were not received in connection with the audit of the Company for the year then ended.

In the absence of responses to our bank confirmations requests, we have not been able to satisfy ourselves by alternative review procedures regarding the completeness and accuracy of the balances due to these banks of EGP 9 billion as at 31 March 2025 and any other balances including unfunded exposures and contingent liabilities that the Company may have had with these banks as at 31 December 2024 and 31 March 2025. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of these balances or unfunded exposures and other contingent liabilities in the interim condensed separate statement of financial position as at 31 March 2025 and, consequently, to the interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the period then ended.

Limited review report (continued)

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Qualified conclusion

Except for the possible adjustments that might have been determined to be necessary had we been able to verify the completeness and accuracy of balances due to banks and any unfunded exposures or contingent liabilities, in light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim financial statements".

Emphasis of matter

Without additional qualification to our conclusion, we draw attention to the fact described in note (8) to the interim condensed separate financial statements that the company's current liabilities exceeded its current assets by EGP 18 billion at 31 March 2025 and it had accumulated losses of EGP 18 billion as at that date. The Company also incurred a net loss amounting to EGP 435 million for the period ended 31 March 2025. These events and conditions indicate the existence of a 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 were unable to continue as a going concern.

Hil

Hisham Mohamed Hamed
R.A.A. 39411
F.R.A. 422

29 October 2025
Cairo



QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025



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

Interim condensed separate statement of financial position - As of 31 March 2025

	Note	31 March 2025	31 December 2024
Non-current assets			
Fixed assets	3(b)	2,953	3,375
Investments in subsidiaries and joint ventures	3(a)	6,472,805	6,472,805
Financial assets at fair value through other comprehensive income	2(e)	17,632	19,421
Payments under investments		2,621,959	2,621,959
Loans to subsidiaries	2(a)	260,666	254,917
Total non-current assets		9,376,015	9,372,477
Current assets			
Loans to subsidiaries	2(a)	10,569	-
Other Receivables		147,002	153,979
Due from related parties	5(a)	8,043,746	8,295,557
Cash and bank balances	2(b)	70,441	43,913
Total current assets		8,271,758	8,493,449
Total assets		17,647,773	17,865,926
Equity			
Paid-up capital		9,100,000	9,100,000
Reserves		125,361	126,763
Accumulated losses		(18,006,751)	(17,571,886)
Shareholder's balance		(639,457)	(639,457)
Net Equity		(9,420,847)	(8,984,580)
Non-current liabilities			
Deferred tax liabilities		11,157	11,494
Loans	2(c)	642,002	640,400
Total non-current liabilities		653,159	651,894
Current liabilities			
Provisions		314,894	314,894
Other Payables	2(d)	3,761,488	3,448,349
Due to related parties	5(b)	1,307,286	1,296,287
Loans	2(c)	21,031,793	21,139,082
Total current liabilities		26,415,461	26,198,612
Total equity and liabilities		17,647,773	17,865,926

- The accompanying notes on pages 8 to 30 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

29 October 2025

QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025



(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 2025

	Note	31 March 2025	31 March 2024
Advisory revenue	4(a)	54,745	33,510
General and administrative expenses		(161,115)	(97,199)
Net Impairment Losses on Financial Assets	4(b)	-	(129,351)
Impairment no longer required		23,959	-
Other operating income		2,502	252
Operating loss		(79,909)	(192,788)
Finance income	4(c)	225,580	889,606
Finance costs	4(c)	(580,494)	(337,512)
(Loss) / Profit before income tax		(434,823)	359,306
Income tax	4(d)	(42)	783
Net (Loss) / profit for the period		(434,865)	360,089
<u>(Loss)/Profit per share for the period:</u>			
Basic and diluted (loss) / profit per share from losses (EGP/Share)	6	(0.24)	0.20

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QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025



(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 2025

	31 March 2025	31 March 2024
Net (loss) / profit for the period	(434,865)	360,089
Change in Financial assets at fair value through other comprehensive income	(1,684)	3,676
Unrealized Forex gains from financial assets at fair value	(97)	9,105
Unrealized Forex losses	-	-
Income tax relating to these items	379	(827)
Total comprehensive (loss)/ income for the period	(436,267)	372,043

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QALAA FOR FINANCIAL INVESTMENTS (S.A.E.)
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025



(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 2025

	Paid up capital	Reserves	Accumulated losses	Shareholder's contribution	Total / (Net) Equity
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	-	-	(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 income 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)
Balance at 1 January 2025	9,100,000	126,763	(17,571,886)	(639,457)	(8,984,580)
Total comprehensive loss for the period	-	(1,402)	(434,865)	-	(436,267)
Balance at 31 March 2025	9,100,000	125,361	(18,006,751)	(639,457)	(9,420,847)

- The accompanying notes on pages 8 to 30 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 2025



(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 2025

	Note	31 March 2025	31 March 2024
Cash flows from operating activities			
(Loss)/Profit before income tax		(434,823)	359,306
Adjusted to:			
Fixed assets depreciation	3(b)	422	645
Interest expense	4(c)	310,605	337,512
Interest income	4(c)	(53,150)	(148,863)
Net Impairment Losses on financial Assets		-	129,351
Unrealized foreign exchange gains/ (loss)		173,366	(329,908)
Other Income		(73)	(252)
Operating (loss) / profit before changes in working capital		(3,653)	347,791
Changes in working capital:			
Other debit balances		6,269	(2,066)
Due from related parties		(54,745)	(35,110)
Other credit balances		(171,482)	(365,753)
Due to related parties		-	-
Net cash flows used in operating activities		(223,611)	(55,138)
Cash flows from finance activities			
Due from related parties		312,514	402,050
Due to related parties		10,999	(438,534)
Loan payments		(101,120)	-
Net cash flows generated from / (used in) finance activities		222,393	(36,484)
Cash flows from investing activities			
Payments for investments		-	(24,950)
Proceeds from loans to subsidiaries		27,793	-
Net cash flows generated from/ (used in) investing activities		27,793	(24,950)
Net change in cash and cash equivalents		26,575	(116,572)
Cash and cash equivalents at beginning of the period		43,913	159,431
Effect of exchange rate in cash and cash equivalents		(47)	(2,197)
Cash and cash equivalents at end of the period	2(b)	70,441	40,662

- The accompanying notes on pages 8 to 30 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 2025**

(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 principal shareholder of the company by 23.49%.

These interim condensed separate financial statements have been authorised by the company's Board of Directors on 29 October 2025, 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 2025 to obtain full information on financial position, results of operations, cash flow and changes in equity of the Company as a whole.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

2. Financial assets and financial liabilities

2(a) Loans to subsidiaries

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

	31 March 2025	31 December 2024
<u>Current</u>		
National Development and Trading Company	7,116	-
United foundries company	3,453	-
Less: Accumulated impairment loss*	-	-
	10,569	-
<u>Non-current</u>		
National Development and Trading Company	164,973	161,531
United Foundries Company	95,693	93,386
Less: Accumulated impairment loss*	-	-
	260,666	254,917
	271,235	254,917

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 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 5F).

** 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, Factoring in ECL with interest accrued using the effective interest rate method, considering the unwinding of the difference between the cash paid and fair value on initial recognition.

*** During the period, National Development and Trading company processed a payment to Qalaa Holdings equivalent to EGP 27.8 million, The company recognized impairment no longer required based on the payment.

*The movement in impairment of loans due from subsidiaries:

	31 March 2025	31 December 2024
Balance at 1 January	-	3,449,294
Formed during the period	-	129,351
Impairment no longer required ***	(23,959)	(345,325)
Foreign currency exchange loss differences	-	1,128,137
Adjustments **	23,959	(4,361,457)
Total	-	-

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

2. Financial assets and financial liabilities (continued)

2(b) Cash and bank balances

	31 March 2025	31 December 2024
Bank Current accounts – local currency	49,971	3,824
Cash on hand	107	1,565
Bank Current accounts – foreign currency	20,363	38,524
	70,441	43,913

The average effective interest rate on deposits at 31 March 2025 was 16.5% (31 December 2024: 15.2%). 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 consortium 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 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 was 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.

During the year 2024, Qalaa entered into a group of agreements with the participant's banks to settle the above debt as follows:

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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)

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 12 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.

1. Arab International Bank:

Qalaa Holdings and its subsidiaries and related companies entered 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 instalments totalling 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 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 its behalf. Consequently, the loan amount has been transferred to the subsidiary. The agreement also stipulates that Qalaa Holdings guarantee to cover any shortfall in the repayment instalments.

Therefore, the company recorded a financial guarantee at fair value through the profit and loss statements for the subsidiary amounting to USD 34 million, It will be subject to periodic review during the preparation of subsequent financial statements, with the necessary adjustments made accordingly Note (4c).

2. 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 of the year 2024 after the condition precedent had been met. As of 31 March 2025, 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.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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)

Settlement and waivers	31 March 2025
Total debt before the settlement agreement	8,747,222
Other interest expense	499,400
Foreign currency exchange difference	4,674
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)	(641,046)
Debt expected waiver in case of compliance with whole contract terms (D)	4,662,561

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 a specific return and the actual share prices at the date of settlement.

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. As of 31 March 2025, the company has paid EGP 247.1 million out of EGP 296 million, the remaining amount has been paid subsequent to the period.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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)

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

Qalaa is entitled to an expected waiver of EGP 4.6 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 March 2025 as follows:

Current	31 March 2025	31 December 2024
Citadel Capital partners*	3,041,263	3,093,644
Egyptian banks	8,999,473	8,899,523
QHRI Balance	8,991,057	9,145,915
Balance	21,031,793	21,139,082

*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.

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 refer to note (11).

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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)

Non-Current	31 March 2025	31 December 2024
Sunrise service Egypt (LLC) *	642,002	640,400
Balance	642,002	640,400

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.

2(d) Other Payables

	31 March 2025	31 December 2024
Other financial liability**	1,795,349	1,534,547
Tax authority	251,632	231,527
Accrued expenses	676,778	670,104
Former shareholder credit balances*	517,249	495,416
Trade and notes payable	516,267	513,474
Dividends payable	2,894	2,894
Social insurance authority	1,319	387
Total other payables balances	3,761,488	3,448,349

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

The carrying amounts of other payables balances are 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.

**Other financial liabilities' balance represents the financial guarantee at fair value recorded by Qalaa Holding against both the Arab International Bank loan settlement and Olayan settlement

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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 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 2025 and 31 December 2024, based on contractual payment dates and current market interest rates.

	Below 1 year
31 March 2025	
Loans	21,031,793
Other credit balances	3,761,488
Due to related parties	1,307,286
Total	26,100,567
31 December 2024	
Loans	21,139,082
Other credit balances	3,448,349
Due to related parties	1,296,287
Total	25,883,718

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 2025**

(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 2025 within the hierarchy of 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 2025	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	-	17,632	-	17,632
Total financial assets	-	17,632	-	17,632

The table below shows the financial assets at fair value in the interim condensed separate financial statements at 31 December 2024 within the hierarchy of fair value.

Recurring fair value measurements At 31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	-	19,421	-	19,421
Total financial assets	-	19,421	-	19,421

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 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 2025**

(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 2025	Equity Interest 2024	31 March 2025	31 December 2024
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%	1,214,769	1,214,769
ASEC Company for Mining (ASCOM)	Egypt	59.46%	59.46%	337,622	337,622
United Foundries Company ***	Egypt	29.29%	29.29%	391,392	391,392
ASEC Cement Company **	Egypt	1.86%	1.86%	41,913	41,913
ASEC Trading Company	Egypt	99.85%	99.85%	49,999	49,999
International Company for Mining Consultation	Egypt	99.99%	99.99%	62	62
Total Investment in subsidiaries				7,194,775	7,194,775
Accumulated impairment loss ****				(771,870)	(771,870)
Net Investment in subsidiaries				6,422,905	6,422,905
Investment in Joint Ventures:					
Wathba for Petroleum services*	Egypt	49.90%	49.90%	49,900	49,900
Total Investment in Joint Ventures				49,900	49,900
Total Investment in Subsidiaries and joint ventures				6,472,805	6,472,805

* 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 its 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 have assessed the Company as a joint venture due to the following facts:

- A) Qalaa has 49.9% of the ownership interest of "Wathba for Petroleum Services".
- B) Qalaa has 4 out of 8 of the board members of "Wathba for Petroleum Services" with 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 transaction 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 recognised expected credit losses) and the present value of the new loan, it 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 recognised as an increase in the parents investment in the subsidiary.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

3. Non-financial assets and liabilities (continued)

3(a) Investments in subsidiaries and joint ventures (continued)

During the period National Development & Trading company processed a payment to Qalaa holding equivalent to EGP 27.8 million

The loan is subsequently measured at amortized cost, with interest accrued using the effective interest rate method, considering 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:

	31 March 2025	31 December 2024
National Development and Trading Company	668,171	668,171
United Foundries Company	103,699	103,699
	771,870	771,870

3(b) Fixed assets

	Buildings	Computers	Furniture, fixture & office equipment	Vehicles	Software	Total
31 December 2024						
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)
Net carrying value	3,374	-	-	-	1	3,375
Period ended 31 March 2025						
Net book value at the beginning of the period	3,374	-	-	-	1	3,375
Depreciation expense	(422)	-	-	-	-	(422)
Net book value	2,952	-	-	-	1	2,953
31 March 2025						
Cost	33,742	8,862	23,037	540	24,856	91,037
Accumulated depreciation	(30,790)	(8,862)	(23,037)	(540)	(24,855)	(88,084)
Net carrying value	2,952	-	-	-	1	2,953

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

4. Profit and loss information

4(a) Advisory Revenue

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

	31 March 2025	31 March 2024
Falcon Agriculture Investments Ltd	32,084	19,566
Citadel Capital Transportation Opportunities II Ltd	13,911	8,483
Silverstone Capital Investment Ltd	-	-
ASEC for Cement	8,750	5,461
	54,745	33,510

4(b) Significant items

	31 March 2025	31 March 2024
Expenses		
Impairment in loans to subsidiaries	-	129,351
Salaries, wages and other employees' benefits	123,534	77,470

4(c) Finance costs - net

	31 March 2025	31 March 2024
Credit interest**	53,314	152,940
Net foreign current translation profit	172,266	736,666
Total finance income	225,580	889,606
Interest expenses	(65,140)	(337,512)
Other interest expense*	(245,465)	-
Re-valuation of financial guarantee***	(269,889)	-
Total Finance costs	(580,494)	(337,512)
Net	(354,914)	552,094

*Other interest expenses represent the interest calculated on the total debt amount of the Egyptian banks loan at the previous Interest rate under the original loan agreement. Refer to note 2(c)

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

	31 March 2025	31 March 2024
National Development and Trading Company*	14,392	129,351
Citadel Capital Holding for Financial Investments-Free Zone	32,998	19,429
United Foundries Company*	5,760	83
Other	164	4,077
	53,314	152,940

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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

* Refer to disclosure loans to subsidiaries (Note 2a)

*** This item includes unrealised loss 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 (2c)

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 2025**

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

5. Related party transactions

The Company entered 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 decides the terms and conditions of the transactions and services provided beyond 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

5 (a) Due from related parties

Company name	Nature of relationship	Nature and volume of transaction			31 March 2025	31 December 2024
		Advisory fee	Finance	Forex		
Mena Home furnishings Mall	Subsidiary	-	-	(1,340)	266,501	267,841
Falcon Agriculture Investments Ltd.	Subsidiary	32,084	-	(8,179)	1,648,600	1,624,695
Golden Crescent Investments Ltd.	Subsidiary	-	-	(971)	192,992	193,963
Citadel Capital Transportation	Subsidiary	-	-	-	-	-
Opportunities Ltd.	-	-	-	2,985	18,375	15,390
Logria Holding Ltd.	Investee	-	-	(1,400)	278,412	279,812
Mena Glass Ltd.	Investee	-	-	(874)	173,808	174,682
Sabina for Integrated Solutions	Subsidiary	-	-	(280)	55,643	55,923
Citadel Capital Financing Corp.	Subsidiary	-	-	(1,670)	332,072	333,742
Citadel Capital Transportation	Subsidiary	-	-	-	-	-
Opportunities II Ltd.	-	13,911	-	(4,086)	778,763	768,938
Citadel Capital Holding for Financial Investments-Free Zone	Subsidiary	-	(54,254)	(35,826)	6,533,369	6,623,449
ASEC Company for Mining (ASCOM)	Subsidiary	-	-	14	16,509	16,495
United Foundries Company	Subsidiary	-	4,030	67	501,630	497,533
Citadel Capital for International Investments Ltd.	Subsidiary	-	(157,490)	(68,174)	1,794,429	2,020,093
Africa Railways Limited	Subsidiary	-	-	(460)	91,321	91,781
Mena Joint Investment Fund management S.A	Subsidiary	-	-	(596)	118,478	119,074
Citadel Capital Joint Investment and Management limited Fund	Subsidiary	-	-	(137)	27,171	27,308
Africa JIF Holdco I fund	Subsidiary	-	-	(180)	35,929	36,109
Crondall Holdings Ltd.	Subsidiary	-	-	(449)	89,376	89,825
International Company for Mining Consultation	Subsidiary	-	-	-	140	140
Grandview Investment Corp	Subsidiary	-	1,301	(273)	55,474	54,446
ASEC Cement company	Subsidiary	8,750	(16)	(336)	39,532	31,134
Total					13,048,524	13,322,373
Accumulated impairment loss *					(5,004,778)	(5,026,816)
Net					8,043,746	8,295,557

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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 2025	Formed	Write off	Foreign exchange differences	Balance as at 31 March 2025
Logria Holding Ltd.	279,812	-	-	(1,400)	278,412
Citadel Capital Financing Corp.	333,742	-	-	(1,670)	332,072
Golden Crescent Investments Ltd.	193,963	-	-	(971)	192,992
Sabina for Integrated Solutions	55,923	-	-	(280)	55,643
Citadel Capital Transportation Opportunities Ltd.	15,390	-	-	2,985	18,375
Mena Glass Ltd.	174,682	-	-	(874)	173,808
Africa Railways Limited	91,781	-	-	(460)	91,321
Crondall Holdings Ltd.	89,825	-	-	(449)	89,376
Citadel Capital Holding for Financial Investments-Free Zone	2,603,894	-	-	(2,191)	2,601,703
Citadel Capital for International Investments Ltd.	919,963	-	-	(15,388)	904,575
Mena Home furnishings Mall	267,841	-	-	(1,340)	266,501
Balance	5,026,816	-	-	(22,038)	5,004,778

5(b) Due to related parties

	Nature of relationship	Nature and volume of transaction			31 March 2025	31 December 2024
		Advisory fee	Finance	Forex		
Asec Trading Company	Subsidiary	-	(1,973)	(30)	293,378	295,381
Citadel Capital for International Investments Ltd.	Subsidiary	-	-	(2,620)	520,992	523,612
Ahmed Heikal	Chairman			(2)	942	944
FHI*	Shareholder		18,053	(2,429)	491,974	476,350
Total					1,307,286	1,296,287

*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.

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For the three months ended 31 March 2025**

(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 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.

5(c) Key Management Compensation

Key management personnel received total benefits during the period with an amount of EGP34.4M million in 31 March 2025 represented in salaries and other benefits (31 March 2024: EGP 28.3 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 2024 - 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.

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.

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6. (Losses)/Profits per share

Basic (Losses) / profits per share is calculated by dividing the (Losses) / profits 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 2025	31 March 2024
Net (loss) / profit for the period	(434,865)	360,089
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000	1,820,000
(losses)/ Earnings per share (EGP)	(0.24)	0.20

Diluted (losses)/ profit 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 2025 and 31 March 2024, hence the diluted (Losses)/ profits per share is the same as the basic (Losses)/ profits 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 2025 have been prepared in accordance with the requirements of the Egyptian Accounting Standard (30) "Interim Financial Statements".

These interim condensed separate financial statements don'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 of 31 December 2024.

The accounting policies adopted in the preparation of these 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
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(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)

8. Going concern

The Company has made a net loss of approximately EGP 435 million for the period ended 31 March 2025 (31 March 2024: EGP 360 million gain). This has further contributed to the accumulation of losses which stood at approximately EGP 18 billion as of 31 March 2025 (31 December 2024: EGP 17.5 billion).

As at 31 March 2025, the Company's operations were primarily financed by borrowings and bank facilities to the amount of EGP 21.7 billion of which EGP 642 million are classified as non-current. The Company had EGP 70 million of cash and cash equivalents. Key disclosures relevant to the Company's

As of 31 March 2025, the Company's current liabilities exceeded its current assets by EGP 18 billion (31 December 2024: EGP 17.7 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.

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.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

8. Going concern (continued)

Key areas in determining the Company are 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 to address the liquidity issues, management has undertaken the following actions.

Loans from financial institutions, with a balance of EGP 21.7 billion outstanding as at 31 March 2025 represented as follows:

- A balance of EGP 12 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 2C).
- A balance of EGP 9 billion due to Egyptian banks, Refer to Note 2(C)
- An amount of EGP 642million due to Sunrise Service Egypt, Refer to Note 2(C)

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 period ended 31 March 2025 have been prepared on a going concern basis.

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

(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:

	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	-
Account receivables	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 2025**

(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	30 September 2023			
	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)	(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 Monetary Policy Committee of the Central Bank of Egypt decided to maintain the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation at 27.25 percent, 28.25 percent, and 27.75 percent, respectively. The Committee also decided to maintain the discount rate at 27.75 percent on 20 February 2025.
- B)** 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 assessed the key impacts of the conflict on the economy, which included a level of disruptions in the supply chain due to the conflict's impact on navigational routes in the Red Sea. This led to a general increase in shipping prices because of the increase in insurance and shipping costs. The Group was mildly affected by supply chain disruptions during the year ended 2023, as there was a low reliance on the shipment coming through the Red Sea. The Group has taken steps to ensure the Group is not affected in the short term, but due to the uncertainty and liquidity of the situation, the total impact in the medium and long term is undetermined.
- C)** On 31 March 2024, Qalaa announced the closing of an agreement with Financial Holdings International Ltd (FHI), a shareholder in several affiliates of Qalaa, and a creditor to Qalaa and some of its affiliates. The share purchase and debt assignment agreement settled most of the liabilities owed by Qalaa and certain of its affiliates to FHI and transferred the shareholding of FHI in several Qalaa affiliates to Qalaa.

Pursuant to the agreement, FHI transferred its shares in some of Qalaa's affiliates to Qalaa including its shares in National Development and Trade Company SAE (NDT, the holding of the ASEC group of companies operating in the cement and related industries sector), and United Company for Foundries SAE, bringing Qalaa's ownership in these two companies to approximately 100%; as well as FHI's shares in Citadel Capital Transportations Opportunities Ltd (CCTO), Qalaa's logistics arm. FHI also discharged most of Qalaa Group's liabilities and obligations and returned all associated collaterals and guarantees. Moreover, it assigned to subsidiaries of Qalaa the debts of:

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

10. Significant events (Continued)

- National development and trading company with the balance of \$192 Million as of 31 December 2023
- United company for foundries, with a balance of \$8 million as of 31 December 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 requirement

- D)** Company's ordinary general assembly decided on 30 May 2024 to approve the offer submitted by Qalaa Holding Restructuring Ltd "QHRI" (a company that was established in accordance with the laws of the British Virgin Islands) by the owners of Citadel Capital Partners Ltd. (the "main shareholder" of Qalaa) to purchase the external debt owed by Qalaa to certain banks and Financial institutions participating in the syndicated loan agreement dated 1 February 2012 ("the Syndicated loan") signed between Qalaa and a group of local and international banks and institutions. This purchase will be at an amount equivalent to 20% of the remaining principal balance of the lenders' share who accepted the purchase offer in the Syndicated loans payable in USD in an international bank account selected by the accepting lenders. The opportunity to participate in the debt purchase was offered to all Qalaa shareholders via the funding of QHRI against a debt note issued by the latter. The Purchased Senior Debt was concluded effective 30 June 2024 and the participating Qalaa shareholders will henceforth be the beneficial holders of the Purchased Senior Debt. The debt will then be extinguished by Qalaa in the form of a capital increase providing the participating shareholders repayment in the form of shares in Qalaa or cash or a combination thereof. Such agreement serves to reduce Qalaa's debt levels and financing costs. Refer to note (2c) and (11)

**Notes to the interim condensed separate financial statements
For the three months ended 31 March 2025**

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

11. 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.

On 25 May 2025 the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the interest and lending rates by 100 points. The credit and discount rate were also reduced by 100 points.

On 28 August 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the interest and lending rates by 200 points. The credit and discount rate were also reduced by 200 points.

On 2 October 2025, The Monetary Policy Committee of the Central Bank of Egypt decided to cut the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation by 100 basis points

- 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. 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 of Qalaa Holding. 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
- D. On July 17, 2025, the extraordinary general assembly approved the increase of the authorized capital from EGP 10 billion to EGP 50 billion, and the issued capital (ordinary and preferred shares) from EGP 9.1 billion, distributable on 1,820,000,000 shares, of which 1,418,261,351 ordinary shares and 401,738,649 preferred shares with a par value of EGP 5 per share, to EGP 23.1 billion distributable to 4,620,000,000 shares with an increase of EGP 14 billion distributable to 2,800,000,000 shares of which, 2,181,940,540 ordinary shares and 618,059,460 preferred shares with a par value of EGP 5 per share.
- E. Subsequently the capital increase process has been completed, a cash subscription was made for 79 shares and subscriptions were made for 2,406,463,921 shares using credit balances. The total subscription made was 2,406,464,000 shares of which 1,798,211,430 ordinary shares and 608,252,570 preferred shares, with a total value of 12,032,320,000. Following the completion, the company issued the commercial register which reflected the company's authorised capital as well as the issued and paid-up capital after the amendment