

Arabian Cement Company S.A.E.
Condensed Separate Interim Financial Statements
together with Limited Review Report
for the nine months ended September 30, 2023

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Limited Review Report
For the Condensed Separate Interim Financial Statements

To: The Board of directors of Arabian Cement Company
An Egyptian Joint Stock Company

Introduction

We have conducted our limited review for the accompanying condensed separate interim financial position of Arabian Cement Company - An Egyptian Joint Stock Company - as of September 30, 2023, and the related condensed separate statements of profits or losses, comprehensive income, changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

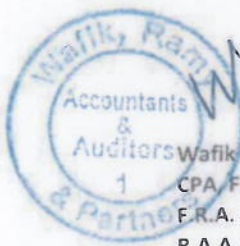
Scope of Review

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements (2410) -- Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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 condensed separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, November 14, 2023


Wafik Alfred Hanna
1 CPA, FESAA
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Arabian Cement Company (S.A.E)
Condensed Separate Statement of Financial Position
as of September 30, 2023

EGP	Note No.	September 30, 2023	December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment (net)	(10)	1 688 416 862	1 809 821 676
Assets under construction	(11)	690 821	3 952 133
Intangible assets (net)	(12)	170 209 032	191 266 364
Right of use assets (net)	(26)	14 759 991	12 992 066
Investment in subsidiaries	(13)	47 476 057	47 476 057
Investment in a joint venture	(14)	125 000	125 000
Total non-current assets		1 921 677 763	2 065 635 296
Current assets			
Inventories	(15)	786 196 105	615 572 443
Trade receivables	(16)	130 443 492	49 371 741
Debtors and other debit balances (net)	(17)	182 974 875	217 510 036
Due from related parties	(25)	9 990 655	12 276 959
Cash and bank balances	(18)	279 557 057	797 971 564
Total current assets		1 391 171 194	1 692 702 743
Total assets		3 312 848 957	3 758 338 039
Equity and liabilities			
Equity			
Issued and paid-up capital	(19)	757 479 400	757 479 400
Legal reserve	(20)	254 702 995	260 452 502
Retained earnings		602 027 236	140 646 840
Total equity		1 654 209 631	1 158 578 742
Liabilities			
Non-current liabilities			
Borrowings	(22)	--	177 476 090
Deferred tax liabilities	(6-3)	244 932 240	264 257 505
Lease liabilities	(26)	7 755 040	6 724 129
Notes payable	(21)	2 450 463	4 544 514
Total non-current liabilities		255 137 743	453 002 238
Current liabilities			
Trade and notes payable	(21)	874 477 287	822 872 962
Credit facilities	(22)	94 942 768	360 644 205
Current income tax liability	(8-2)	134 182 183	192 343 445
Current portion of long term borrowings	(22)	--	163 534 780
Lease liabilities	(26)	8 692 639	6 411 505
Creditors and other credit balances	(24)	240 301 228	288 398 900
Due to related parties	(25)	4 676 522	2 090 465
Dividends payable		--	249 968 203
Provisions	(23)	46 028 956	60 492 574
Total current liabilities		1 403 501 583	2 146 757 059
Total Liabilities		1 658 639 326	2 599 759 297
Total equity and liabilities		3 312 848 957	3 758 338 039

The accompanying notes form an integral part of the condensed separate financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Auditor's report attached.

*Translation of the separate financial statements
originally issued in Arabic*

Arabian Cement Company (S.A.E)

**Condensed Separate Statement of Profit or Loss
for the nine months ended September 30, 2023**

EGP	Note No.	For the three months ended in		For the nine months ended in	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Sales (net)	(3)	1 387 993 883	1 272 393 528	4 525 982 884	3 333 973 022
Cost of sales	(4)	(1 110 869 642)	(1 106 528 347)	(3 581 163 185)	(2 744 331 214)
Gross profit		277 124 241	165 865 181	944 819 699	589 641 808
Add/(deduct):					
General and administrative expenses	(5)	(65 938 767)	(46 079 234)	(173 623 310)	(114 255 735)
Provisions	(23)	(3 000 000)	--	(9 000 000)	(91 345 423)
Interest income		5 212 320	1 527 758	22 533 858	2 420 008
Other income		7 881 156	59 288 561	10 859 858	75 427 117
Finance costs	(6)	(17 931 406)	(13 619 984)	(72 623 520)	(39 389 429)
Foreign currency exchange losses		(343 056)	(17 981 837)	(105 414 998)	(82 475 809)
Net profit for the period before tax		203 004 488	149 000 445	617 551 587	340 022 537
Income taxes	(8-1)	(40 868 421)	(10 214 202)	(114 856 918)	(95 281 542)
Net profit for the period after tax		162 136 067	138 786 243	502 694 669	244 740 995
Earnings per share for the period	(9)	0.42	0.36	1.31	0.63

- The accompanying notes form an integral part of the condensed separate financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Arabian Cement Company (S.A.E.)
Condensed Separate Statement of Comprehensive Income
for the nine months ended September 30, 2023

EGP	<u>for the three months ended in</u>		<u>for the nine months ended in</u>	
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Net profit for the period after tax	162 136 067	138 786 243	502 694 669	244 740 995
Items of other comprehensive income	--	--	--	--
Comprehensive income for the period	<u>162 136 067</u>	<u>138 786 243</u>	<u>502 694 669</u>	<u>244 740 995</u>

- This accompanying notes form an integral part of the condensed separate financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Translation of the separate financial statements
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Arabian Cement Company (S.A.E)

Condensed Separate Statement of Changes in Shareholders' Equity
for the nine months ended September 30, 2023

EGP	Issued and paid-up capital	Legal reserve	Retained earnings	Total
Balance as of January 1, 2022	757 479 400	257 740 154	57 749 903	1 072 969 457
Transferred to legal reserve	--	2 712 348	(2 712 348)	--
Dividends distributed to employees	--	--	(6 927 439)	(6 927 439)
Total comprehensive income for the period	--	--	244 740 995	244 740 995
Balance as of September 30, 2022	757 479 400	260 452 502	292 851 111	1 310 783 013
Balance as of January 1, 2023	757 479 400	260 452 502	140 646 840	1 158 578 742
Transferred to legal reserve	--	34 250 493	(34 250 493)	--
Dividends distributed to employees	--	--	(7 063 780)	(7 063 780)
Total comprehensive income for the period	--	--	502 694 669	502 694 669
Balance as of September 30, 2023	757 479 400	294 702 995	602 027 236	1 654 209 631

- The accompanying notes form an integral part of the condensed separate financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

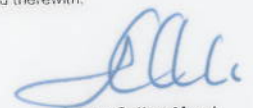
Arabian Cement Company (S.A.E)
Condensed Separate Statement of Cash flow
for the nine months ended September 30, 2023

<u>EGP</u>	<u>Note No.</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		617 551 587	340 022 537
<u>Adjusted by:</u>			
Finance costs	(6)	72 623 520	39 389 429
Interest income		(22 533 858)	(2 420 008)
Depreciation of property, plant and equipment	(10)	153 602 780	151 817 269
Amortization of intangible assets	(12)	21 059 332	21 059 331
Amortization of right of use assets	(26)	5 032 848	4 072 131
Unrealized foreign currency exchange losses from borrowings		--	33 304 350
Provisions	(23)	9 000 000	91 345 423
		856 336 209	678 590 462
Increase in inventories		(172 623 662)	(287 341 208)
Decrease / (increase) in debtors and other debit balances		23 104 244	(290 826 232)
Decrease in amounts due from related parties		2 277 304	160 604
Increase in trade receivables		(81 071 751)	(277 528 088)
Increase in trade and notes payables		49 510 274	438 034 872
Increase / (decrease) in amounts due to related parties		2 786 037	(10 450 379)
(Decrease) / increase in creditors and other credit balances		(48 097 672)	11 667 089
Provisions used	(23)	(23 463 618)	(62 933 773)
Cash flows generated from operating activities		608 757 365	199 393 347
Finance costs paid		(71 728 666)	(38 383 393)
Income tax paid		(187 976 306)	(42 189 962)
Net cash flows generated from operating activities		349 052 391	118 819 992
<u>Cash flows from investing activities</u>			
Payments for purchase of property, plant and equipment		(28 936 654)	(14 131 597)
Interest income received		22 533 858	2 420 008
Net cash flows used in investing activities		(6 402 796)	(11 711 589)
<u>Cash flows from financing activities</u>			
Net change in borrowings		(341 010 870)	(84 476 124)
Net change in credit facilities		(265 701 437)	101 091 115
Repayment for lease liabilities	(26)	(4 383 582)	(1 191 621)
Dividends paid		(249 988 203)	(6 927 439)
Net cash flows (used in) / generated from financing activities		(861 064 092)	8 495 931
Net change in cash and cash equivalents during the period		(518 414 497)	115 604 334
Cash and cash equivalents at the beginning of the period		797 971 564	117 292 968
Cash and cash equivalents at the end of the period	(18)	279 557 067	232 897 302

- The accompanying notes form an integral part of the condensed separate financial statements and to be read therewith.



Sergio Alcantarilla Rodríguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

1. The Company's general information

Arabian Cement Company S.A.E. (ACC or the Company), a joint stock Company incorporated in Cairo, Egypt, is a public company whose shares are traded at the EGX Egyptian Exchange. The Company was established on March 5, 1997 under Law No. 230 of 1989 and Law No. 95 of 1992 according to the decree of the Chairman of General Authority for Investment and Free Zone (GAFI) No. 167 of 1997.

The Company was registered in the Commercial Register under No. 13105 in Cairo on April 3, 2005, which was changed to No. 53445 on August 16, 2011 as the Company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza- Egypt. The admin office changed to be on Gamal Abdel Nasser square (west Arabella), Fifth Settlement Arabella Plaza, Office Building (A), 5th floor.

The Company's objective is the manufacturing and sale of clinker, cement and the other related products and usage of mines and extraction of all mining materials required for the production of construction materials and road transportation for all the company's product. The Company may carry out other projects or amend its purpose according to the Investment Incentives and Guarantees Law.

The Company produces cement with a clinker capacity of 4.2 million tonnes per annum that can produce 5 million tonnes per annum of cement.

The main shareholder of the Company is Aridos Jativa – Spanish Company, and it owns 60% of the Company's capital. The Company's term is 25 years starting from the date of its registration at the commercial register.

The condensed separate interim financial statements were approved by the Board of Directors and authorized for issue on November 14, 2023.

2. Significant accounting policies

2.1 Statement of compliance

The condensed separate interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) interim financial reporting. These condensed separate interim financial statements do not include all the information required in the preparation of the full set of annual separate financial statements and must be read in conjunction with the annual separate financial statements as of December 31, 2022.

2.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Arabian Cement Company S.A.E
Condensed separate interim financial statements
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3. Sales (net)

An analysis of the Company's revenue for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<u>Local</u>				
Sales	968 381 162	884 500 141	2 730 020 623	2 597 922 841
Services	22 169 084	27 216 893	53 253 394	81 465 211
Total Local Sales	990 550 246	911 717 034	2 783 274 017	2 679 388 052
<u>Export</u>				
Sales	312 898 604	328 806 737	1 376 528 568	575 916 076
Services	84 545 033	31 869 757	366 180 299	78 668 894
Total Export Sales	397 443 637	360 676 494	1 742 708 867	654 584 970
Total Sales	1 387 993 883	1 272 393 528	4 525 982 884	3 333 973 022

4. Cost of sales

An analysis of the Company's cost of sales for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Raw material	898 020 211	969 163 289	2 893 495 529	2 345 909 520
Manufacturing depreciation	51 255 721	50 574 670	151 672 558	150 074 531
Electricity supply agreement amortization	7 096 918	7 096 917	21 059 332	21 059 331
Right of use amortization	1 818 851	1 357 377	5 032 848	4 072 131
Transportation cost	90 421 299	40 488 911	354 631 349	118 537 124
Overhead cost	62 256 642	37 847 183	155 271 569	104 678 577
Total	1 110 869 642	1 106 528 347	3 581 163 185	2 744 331 214

5. General and administration expenses

An analysis of the Company's general and administration expenses for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Professional services	20 411 035	14 431 201	55 470 801	41 875 073
Salaries and wages	20 006 527	8 335 162	52 379 297	24 749 316
Security and cleaning services	984 952	286 855	1 870 186	843 657
Rentals	50 914	33 206	118 201	93 664
Transportation	3 389 129	4 361 734	9 517 088	5 632 379
Advertising	85 688	34 000	2 249 511	1 244 205
Administrative depreciation	657 767	581 307	1 930 222	1 742 738
Other expenses	20 352 755	18 015 769	50 088 004	38 074 703
Total	65 938 767	46 079 234	173 623 310	114 255 735

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6. Finance costs

An analysis of the Company's finance costs for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Interest expense on loans	8 678 603	8 962 137	32 100 606	25 378 496
Lease liability interest	414 069	226 933	894 854	822 038
Note payables interest	243 855	158 789	669 920	407 786
Credit facilities interest expense	8 594 879	4 272 125	38 958 140	12 781 109
Total	17 931 406	13 619 984	72 623 520	39 389 429

7. Compensation of key management personnel *

An analysis of the Company's Compensation of key management personnel for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Board of Directors allowances and salaries	13 224 780	5 429 256	34 149 993	15 204 392
TOTAL	13 224 780	5 429 256	34 149 993	15 204 392

* Included in salaries and wages in general and administration expenses.

8. Income taxes

8.1 Income tax recognised in separate statement of profit or loss

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
CURRENT TAX				
Current tax expense for the current period	37 532 113	28 381 836	134 182 183	125 011 490
DEFERRED TAX				
Net deferred tax recognized in the current period	3 336 308	(18 167 634)	(19 325 265)	(29 729 948)
TOTAL INCOME TAX	40 868 421	10 214 202	114 856 918	95 281 542

8.2 Current income tax liabilities

EGP	September 30, 2023	December 31, 2022
Current income tax liabilities (note 8.1)	134 182 183	192 343 445
CURRENT INCOME TAX LIABILITIES	134 182 183	192 343 445

8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

September 30, 2023	Opening balance	Recognized in	Closing balance
EGP		profit or loss	
(Temporary differences)			
<u>Deferred Tax Liability</u>			
Property, plant & equipment	(264 257 505)	18 518 249	(245 739 256)
<u>Deferred tax Assets</u>			
Unrealized foreign currency exchange losses	--	807 016	807 016
NET DEFERRED TAX LIABILITY	(264 257 505)	19 325 265	(244 932 240)
December 31, 2022	Opening balance	Recognized in	Closing balance
EGP		profit or loss	
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	(299 493 767)	35 236 262	(264 257 505)
NET DEFERRED TAX LIABILITY	(299 493 767)	35 236 262	(264 257 505)

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Earnings for basic and diluted earnings per share:				
Profit for the period	162 136 067	138 786 243	502 694 669	244 740 995
Employees' share in distributable profits (note 17)	(2 705 336)	(1 719 699)	(7 902 932)	(5 164 343)
Distributable profit	159 430 731	137 066 544	494 791 737	239 576 652
Number of shares for basic and diluted earnings per share:				
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700	378 739 700	378 739 700
PROFIT PER SHARE	0.42	0.36	1.31	0.63

10. Property, plant and equipment (net)

EGF	Freehold land	Buildings and improvements	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST								
Balance at January 1, 2022	50 243 436	658 393 762	27 947 207	2855 598 819	15 069 515	302 387 628	21 459 451	3 931 099 818
Additions	--	1 830 771	10 075 905	422 556	41 250	516 930	902 698	13 790 100
Balance at September 30, 2022	50 243 436	660 224 533	38 023 112	2856 021 375	15 110 765	302 904 558	22 362 139	3944 889 916
Balance at January 1, 2023	50 243 436	663 352 417	38 134 022	2857 479 064	15 110 765	302 978 330	22 369 172	3 949 887 186
Additions	--	14 201 596	1 836 017	8 452 820	2 082 779	432 204	1 951 238	28 936 654
Transferred from assets under construction	--	--	--	--	--	3 261 312	--	3 261 312
Adjustments	--	--	--	(217 225)	--	--	--	(217 225)
Balance at September 30, 2023	50 243 436	677 554 013	39 970 019	2865 714 659	17 173 544	306 671 846	24 540 410	3981 067 927
ACCUMULATED DEPRECIATION								
Balance at January 1, 2022	--	301 771 957	18 834 984	1453 258 629	9 565 335	152 884 838	20 483 753	1936 780 506
Depreciation expenses	--	21 095 143	1 864 629	115 279 936	945 533	11 834 824	797 204	151 817 269
Balance at September 30, 2022	--	322 867 100	20 699 613	1548 539 565	10 510 868	164 719 662	21 280 957	2088 597 775
Balance at January 1, 2023	--	329 962 454	21 527 974	1567 595 726	10 735 432	168 726 821	21 336 903	2 140 065 510
Depreciation expense	--	21 259 956	2 864 447	115 614 827	802 341	11 633 328	1 127 881	153 602 760
Adjustments	--	--	--	(217 225)	--	--	--	(217 225)
Balance at September 30, 2023	--	351 252 420	24 492 421	1702 993 328	11 587 773	180 660 249	22 464 874	2293 451 065
CARRYING AMOUNT								
At September 30, 2022	50 243 436	326 301 593	15 477 598	1162 721 331	5 595 771	126 011 597	2 075 536	1688 416 862
At September 30, 2022	50 243 436	337 357 433	17 323 459	1307 481 810	4 589 897	138 184 896	1 101 172	1856 292 143
At December 31, 2022	50 243 436	333 359 953	16 506 028	1269 883 338	4 329 333	134 281 409	1 252 179	1869 821 676

- The Company is currently in the process of cancelling the first-degree commercial and real estate mortgage with the Commercial International Bank (CIB) (Security Agent).

- The depreciation expense for the item of furniture and computers is included in the item of general and administrative expenses, Note (5) in the amount of EGP 1 930 222.

The depreciation expense for the remaining assets is included in the cost of sales of Note (4) in the amount of EGP 151 672 558.

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11. Projects under construction

EGP	September 30, 2023	December 31, 2022
Balance as of January 1	3 952 133	3 261 312
Additions	--	690 821
Transferred to property, plant and equipment (Note No. 10)	(3 261 312)	--
TOTAL	690 821	3 952 133

Assets under construction are represented in the following categories:

Machinery and equipment	--	3 261 312
Technology equipment and installations	690 821	690 821
TOTAL	690 821	3 952 133

12. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
Cost			
Cost as of January 1, 2023	563 204 713	225 200 000	788 404 713
Cost as of September 30, 2023	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2023	(371 936 349)	(225 200 000)	(597 136 349)
Amortization for the period	(21 059 332)	--	(21 059 332)
Accumulated amortization as of September 30, 2023	(392 995 681)	(225 200 000)	(618 195 681)
Net book value September 30, 2023	170 209 032	--	170 209 032
Net book value December 31, 2022	191 268 364	--	191 268 364

Operating license

As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 281.4 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months according to interest rate determined by Central Bank of Egypt (CBE).

The above-mentioned value will be also applied for the second line and a 25% will be paid as an advance payment and residual amount will be settled over a period of 3 years according to the interest rate determined by Central Bank of Egypt (CBE).

Electricity contract

Intangible assets represent the value of the contract concluded with the Ministry of Electricity on March 11, 2010, where the Ministry of Electricity identifies the needs of heavy industrial projects and arranges their needs, either through the establishment of new stations or already established ones. The cost of investments will be paid by the company according to what has been determined by the Ministry, which amounted to EGP 217.2 million, where payment has been agreed to be paid as follows:

15% advance payment equivalent to EGP 32.58 million.

120 monthly instalments due on the first of every month from April 2010 amounted by EGP 1.220 million per each instalment.

120 monthly instalments due on the first of every month from February 2011 amounted by EGP 1.342 million per each instalment.

In addition to EGP 8 million for the allocation of two cells of the traditional type, to be paid in four quarterly instalments and the last instalment was due on 1 February 2011.

13. Investments in subsidiaries

The Company has control over all the subsidiaries as listed below:

Company name EGP	Domicile	Share/ paid- in capital	September 30, 2023	December 31, 2022	Principal activities	Proportion of ownership interest and voting power held by the Company
Andalus Concrete Company	Egypt	%99.99	30 926 807	30 926 807	Concert products, mainly ready mix	99.99%
Evolve Investment & Projects Management Company	Egypt	%99.99	16 499 750	16 499 750	Alternative fuel and recycling	99.99%
ACC for Management and Trading Company	Egypt	%99	49 500	49 500	Providing managerial services	99%
TOTAL			47 476 057	47 476 057		

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14. Investments in a joint venture

Details of the Company's joint venture at the end of the reporting period are as follows:

Name of joint venture	Place of incorporation	Proportion of ownership interest and voting power held by the company	EGP	
			September 30, 2023	December 31, 2022
Andalus Reliance for Mining Company	Egypt	50%	125 000	125 000
TOTAL			125 000	125 000

15. Inventories

EGP	September 30, 2023	December 31, 2022
Raw materials	77 416 511	44 310 142
Fuel	221 371 381	98 497 734
Packing materials	36 932 167	73 001 447
Spare parts	21 652 029	13 965 647
Work in progress	1 879 287	2 574 802
Finished goods	428 944 730	383 222 671
TOTAL	788 196 105	615 572 443

16. Trade Receivables

EGP	September 30, 2023	December 31, 2022
Trade Receivables	130 443 492	49 371 741
Total	130 443 492	49 371 741

17. Debtors and other debit balances (net)

EGP	September 30, 2023	December 31, 2022
Advance to suppliers	66 248 422	108 882 285
Withholding tax	13 302 424	5 260 141
Prepaid expenses	7 008 871	7 607 105
Value added tax	2 881 728	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	79 316 179	79 316 179
Employees' dividends in advance	7 902 932	7 063 780
Letters of guarantee -- cash margin	1 947 049	2 599 049
Cash imprest	4 402 951	3 935 450
Less:- Impairment of debtors and other debit balances	(1 607 808)	(1 607 808)
TOTAL	182 974 875	217 510 036

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18. Cash and bank balances

EGP	September 30, 2023	December 31, 2022
Cash in hand	3 105 541	2 932 427
Current account – local currency	95 758 356	562 644 512
Current account – foreign currency	89 452 898	112 334 157
Bank deposits	91 240 272	120 060 468
Total	279 557 067	797 971 564

19. Capital

EGP	September 30, 2023	December 31, 2022
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued capital	757 479 400	757 479 400

20. Legal reserve

In accordance with the Companies' Law No.159 of 1981 and the Company's Articles of Incorporation, 10% of annual net profit is transferred to legal reserve. The entity shall cease such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

21. Trade and notes payable

EGP	Current		Non-current	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Local trade payable	309 579 175	513 374 381	--	--
Foreign trade payable	562 067 964	306 432 404	--	--
Notes payable*	2 830 148	3 066 177	2 450 463	4 544 514
Total	874 477 287	822 872 962	2 450 463	4 544 514

* The value of the notes payable represents the value of the checks issued in favour of City Gas, which resulted from the settlement of the previous dispute with the company regarding the differences in gas consumption, and a settlement in 2020 agreement was reached whereby the company charged EGP 19 847 553, which was paid with notes payables until 2025 recognized at net present value. The undiscounted value of the notes payables obligation at the end of the period amounted to EGP 7 847 553.

22. Borrowings

EGP	Current		Non-current	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
First: Credit facilities				
CIB	94 934 387	162 164 643	--	--
NBE	8 381	198 479 562	--	--
Total Facilities	94 942 768	360 644 205	--	--
Second: Bank loans				
Bank loans – CIB	--	56 100 000	--	96 900 000
Bank loans – EBRD	--	107 434 780	--	80 576 090
Total bank Loans	--	163 534 780	--	177 476 090

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23. Provisions

EGP	Provision for claims
Balance at January 1, 2023	60 492 574
Formed provisions during the period	9 000 000
Provisions used during the period	(23 463 618)
Balance at September 30, 2023	46 028 956

Management annually reviews and adjusts these provisions based on the latest developments, discussions and agreements with the involved parties.

24. Creditors and other credit balances

EGP	September 30, 2023	December 31, 2022
Advances from customers	77 622 321	140 124 307
Accrued expenses	32 158 253	21 678 389
Accrued development fees	7 594 569	10 433 957
Accrued customers rebates	74 717 425	74 784 633
Accrued taxes	32 108 066	21 594 146
Accrued interest	--	2 759 721
Deferred revenue – Grant	11 270 293	12 193 446
Retention	4 830 301	4 830 301
TOTAL	240 301 228	288 398 900

25. Related parties' transactions

During the period, entity entities entered into the following transactions with related parties:

EGP	Relation type	Transaction nature	Volume of the transactions	
			September 30, 2023	September 30, 2022
Andalus Concrete Company	Subsidiary	Sales	7 228 790	20 135 668
ACC for Management and Trading Company	Subsidiary	Services	67 559 337	48 366 804
Evolve Investment & Projects Management Company	Subsidiary	Purchases	21 179 058	18 974 567
Andalus Reliance for Mining Company	Joint Venture	Purchases	--	15 281 235
Cementos La Union – Spain	Subsidiary of the parent	Services	3 815 574	2 231 051
		Sales	--	37 372 288

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The following balances were outstanding at the end of the reporting period:

EGP	Due from related parties		Due to related parties	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Andalus Concrete Company	5 908 652	6 932 654	--	--
Evolve Investment & Projects Management Company	--	--	4 876 522	2 090 485
ACC for Management and Trading Company	3 995 635	5 268 165	--	--
Cementos La Union – Spain	95 368	76 140	--	--
TOTAL	9 999 655	12 276 959	4 876 522	2 090 485

- Andalus Concrete Company purchases cement materials and products from Arabian Cement Company, which are used for manufacturing and trading concrete and construction materials.
- ACC for Management and Trading Company renders managerial services for Arabian Cement Company.
- Cementos La Union – Spain renders technical support services for Arabian Cement Company.
- Andalus Reliance for Mining Company supplied the raw materials for Arabian Cement Company.
- Evolve Company supplied alternative fuel for Arabian Cement Company.

26. Lease contracts

26.1 Right of Use

EGP	Land and buildings	Total
Cost		
Cost as of January 1, 2023	23 415 587	23 415 587
Additions	7 400 647	7 400 647
Disposals	(928 837)	(928 837)
Cost as of September 30, 2023	29 887 397	29 887 397
Less: - Accumulated amortization		
Accumulated amortization as of January 1, 2023	10 423 521	10 423 521
Amortization for the period	5 032 848	5 032 848
Disposals for accumulated amortization	(328 963)	(328 963)
Total accumulated amortization as of September 30, 2023	15 127 406	15 127 406
Net book value September 30, 2023	14 759 991	14 759 991
Net book value December 31, 2022	12 992 066	12 992 066

26.2 Lease liabilities

Lease liabilities recognized in the condensed separate statement of financial position

EGP	Current		Non-current	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Lease liabilities	8 692 639	6 411 505	7 755 040	6 724 129
TOTAL	8 692 639	6 411 505	7 755 040	6 724 129

The lease interest cost during period amounted to EGP 894 854 (refer to note 6).

Amount EGP	September 30, 2023	December 31, 2022
Beginning balance	13 135 634	16 546 118
Additions	7 400 643	928 837
Interest expenses	894 854	1 057 180
Disposal	(599 870)	--
Repayment of lease liabilities	(4 383 582)	(5 396 501)
Ending Balances	16 447 679	13 135 634

27. Significant Events during the period

- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on March 30, 2023, to increase the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points to reach 18.25%, 19.25% and 18.75%, respectively. The discount rate was also increased by 200 basis points to 18.75%.
- On March 6, 2023, Prime Minister Decision No. (883) of 2023 was issued to amend and re-issue some provisions of the Egyptian Accounting Standards. The following is a summary of these amendments:

New Standards or amended standards	Summary of significant amendments	Probable effect on separate financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors".	Management decided not to apply the fair value model option stated in the standard.	The amendments of adding the option to use the revaluation model are effective for financial periods starting on or after January 1, 2023, retrospectively, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.

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	<ul style="list-style-type: none"> - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Leasing Contracts" 		
<p>Egyptian Accounting Standard No. (34) amended 2023 "Investment property".</p>	<p>This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting 	<p>The standard has no impact on the separate financial statements</p>	<p>The amendments of adding the option to use the fair value model are effective for financial periods starting on or after January 1, 2023 retrospectively, cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.</p>

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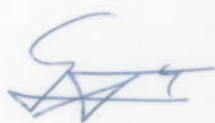
	Standard No. (49) "Leasing Contracts"		
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should be carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should be consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.	The standard has no impact on the separate financial statements	The amendments of adding the option to use the revaluation model are effective for financial periods starting on or after January 1, 2023, retrospectively, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture"	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly). The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10)	The standard has no impact on the separate financial statements.	These amendments are effective for annual financial periods starting on or after January 1, 2023 retrospectively, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.

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	<p>amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</p>		
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts"</p>	<p>This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p>	<p>Management is currently evaluating the potential impact on the separate financial statements from the application of the standard.</p>	<p>Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact</p>

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	- Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property".		
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Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer