

**Arabian Cement Company S.A.E.**  
**Condensed Separate Interim Financial Statements**  
**together with Limited Review Report**  
**for the three months ended March 31, 2024**

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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 March 31, 2024, and the related condensed separate statements of profits or losses, comprehensive income, changes in equity and cash flows for the three 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, May 27, 2024

  
**Wafik Alfred Hanna**  
CPA, FESAA  
F.R.A. No. (132)  
R.A.A. 9176

**Arabian Cement Company (S.A.E)**  
**Condensed Separate Statement of Financial Position**  
**as of March 31, 2024**

EGP	Note No.	March 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	(10)	1 620 628 410	1 654 495 939
Assets under construction	(11)	6 627 909	2 426 563
Intangible assets (net)	(12)	156 111 518	163 112 115
Right of use assets (net)	(26)	11 798 052	12 901 506
Investment in subsidiaries (net)	(13)	30 315 214	30 315 214
Investment in a joint venture (net)	(14)	-	-
<b>Total non-current assets</b>		<b>1 825 481 103</b>	<b>1 863 251 337</b>
<b>Current assets</b>			
Inventories	(15)	914 795 635	976 873 736
Trade receivables	(16)	754 209 003	185 976 365
Debtors and other debit balances (net)	(17)	295 031 345	231 138 942
Due from related parties	(25)	14 249 078	8 481 160
Cash and bank balances	(18)	596 741 731	544 635 150
<b>Total current assets</b>		<b>2 575 026 792</b>	<b>1 947 105 353</b>
<b>Total assets</b>		<b>4 400 507 895</b>	<b>3 810 356 690</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued and paid-up capital	(19)	757 479 400	757 479 400
Legal reserve	(20)	363 501 231	294 702 995
Retained earnings		759 248 810	688 085 124
<b>Total equity</b>		<b>1 880 229 441</b>	<b>1 740 267 519</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	(8-3)	231 917 034	280 018 664
Lease liabilities	(26)	1 378 473	1 739 258
Notes payable	(21)	1 145 067	1 788 996
<b>Total non-current liabilities</b>		<b>234 440 574</b>	<b>283 546 918</b>
<b>Current liabilities</b>			
Trade and notes payable	(21)	1 650 382 478	1 018 864 857
Credit facilities	(22)	27 374 708	90 074 273
Current income tax liability	(8-2)	314 707 809	215 862 692
Lease liabilities	(26)	11 879 634	9 481 649
Creditors and other credit balances	(24)	215 783 745	296 756 219
Due to related parties	(25)	11 525 094	5 543 349
Dividends payable		-	99 229 802
Provisions	(23)	54 184 412	50 729 412
<b>Total current liabilities</b>		<b>2 285 837 880</b>	<b>1 786 542 253</b>
<b>Total Liabilities</b>		<b>2 520 278 454</b>	<b>2 070 089 171</b>
<b>Total equity and liabilities</b>		<b>4 400 507 895</b>	<b>3 810 356 690</b>

- 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

- Limited review attached.




**Arabian Cement Company (S.A.E)**  
**Condensed Separate Statement of Profit or Loss**  
**for the three months ended March 31, 2024**

<b><u>EGP</u></b>	<b><u>Note No.</u></b>	<b><u>March 31, 2024</u></b>	<b><u>March 31, 2023</u></b>
Sales (net)	(3)	1 908 740 895	1 687 093 170
Cost of sales	(4)	(1 378 720 124)	(1 223 642 498)
<b>Gross profit</b>		<b>530 020 771</b>	<b>463 450 672</b>
<b><u>Add/(deduct):</u></b>			
General and administrative expenses	(5)	(70 033 928)	(49 765 516)
Provisions	(23)	(3 455 000)	(3 000 000)
Interest income		12 249 413	8 817 737
Other income		1 657 285	359 339
Finance costs	(6)	(24 958 742)	(25 075 783)
Foreign currency exchange losses		(244 198 044)	(104 208 091)
<b>Net profit for the period before tax</b>		<b>201 281 755</b>	<b>290 578 358</b>
Income taxes	(8-1)	(50 743 487)	(47 534 474)
<b>Net profit for the period after tax</b>		<b>150 538 268</b>	<b>243 043 884</b>
<b>Earnings per share for the period</b>	(9)	<b>0.39</b>	<b>0.64</b>

- 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 three months ended March 31, 2024**

<b>EGP</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Net profit for the period after tax	150 538 268	243 043 884
Items of other comprehensive income	--	--
<b>Comprehensive income for the period</b>	<b>150 538 268</b>	<b>243 043 884</b>

- 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 three months ended March 31, 2024**

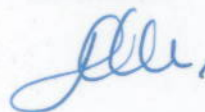
<u>EGP</u>	<u>Note No.</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<b><u>Cash flows from operating activities</u></b>			
Net profit for the period before tax		201 281 755	290 578 358
<b><u>Adjusted by:</u></b>			
Finance costs	(6)	24 958 742	25 075 783
Interest income		(12 249 413)	(8 817 737)
Depreciation of property, plant and equipment	(10)	51 916 255	50 465 685
Amortization of intangible assets	(12)	7 000 597	6 942 636
Amortization of right of use assets	(26)	1 868 420	1 473 483
Unrealized foreign currency exchange losses from borrowings		..	40 747 313
Unrealized foreign currency exchange losses from lease liabilities		2 034 721	..
Provisions	(23)	3 455 000	3 000 000
		<u>280 266 077</u>	<u>409 465 521</u>
Decrease in inventories		62 078 101	26 779 542
(Increase) / decrease in debtors and other debit balances		(74 468 749)	51 552 396
(Increase) / decrease in amounts due from related parties		(5 767 918)	149 492
Increase in trade receivables		(568 232 638)	(239 698 261)
Increase / (decrease) in trade and notes payables		630 873 692	(90 782 157)
Increase / (decrease) in amounts due to related parties		5 981 745	(1 486 227)
Decrease in creditors and other credit balances		(80 972 474)	(73 850 876)
Provisions used	(23)	..	(1 109 836)
<b>Cash flows generated from operating activities</b>		<u>249 757 836</u>	<u>81 019 594</u>
Finance costs paid		(24 681 610)	(24 922 535)
<b>Net cash flows generated from operating activities</b>		<u>225 076 226</u>	<u>56 097 059</u>
<b><u>Cash flows from investing activities</u></b>			
Payments for purchase of property, plant and equipment		(18 048 726)	(7 152 119)
Payments for assets under construction		(4 201 346)	..
Interest income received		12 249 413	8 817 737
<b>Net cash flows (used in) / generated from investing activities</b>		<u>(10 000 659)</u>	<u>1 665 618</u>
<b><u>Cash flows from financing activities</u></b>			
Net change in borrowings		..	(39 660 356)
Net change in credit facilities		(62 699 565)	(18 207 197)
Repayment for lease liabilities		(1 039 619)	(1 462 456)
Dividends paid		(99 229 802)	(249 968 203)
<b>Net cash flows used in financing activities</b>		<u>(162 968 986)</u>	<u>(309 290 212)</u>
<b>Net change in cash and cash equivalents during the period</b>		52 106 581	(251 535 535)
Cash and cash equivalents at the beginning of the period		544 635 150	797 971 564
<b>Cash and cash equivalents at the end of the period</b>	(18)	<u>596 741 731</u>	<u>546 436 029</u>

- 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



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

**Arabian Cement Company (S.A.E)**

**Condensed Separate Statement of Changes in Shareholders' Equity  
for the three months ended March 31, 2024**

<u>EGP</u>	<u>Issued and paid-up capital</u>	<u>Legal reserve</u>	<u>Retained earnings</u>	<u>Total</u>
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	--	--	243 043 884	243 043 884
Balance as of March 31, 2023	<u>757 479 400</u>	<u>294 702 995</u>	<u>342 376 451</u>	<u>1 394 558 846</u>
Balance as of January 1, 2024	757 479 400	294 702 995	688 085 124	1 740 267 519
Transferred to legal reserve	--	68 798 236	(68 798 236)	--
Dividends distributed to employees	--	--	(10 576 346)	(10 576 346)
Total comprehensive income for the period	--	--	150 538 268	150 538 268
Balance as of March 31, 2024	<u>757 479 400</u>	<u>363 501 231</u>	<u>759 248 810</u>	<u>1 880 229 441</u>

- 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





## 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 the provisions of the Investment Law No. 230 of 1989 and the Capital Market 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 Gamrat 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 products. The Company may carry out other projects or amend its purpose according to the investment 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 May 27, 2024.

## 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, 2023.

### 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.

## 3. Sales revenue

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

EGP	March 31, 2024	March 31, 2023
<b>Local</b>		
Sales	970 795 255	947 876 418
Transportation Services	30 753 619	15 071 930
	<b>1 001 548 874</b>	<b>962 948 348</b>
<b>Export</b>		
Sales	840 898 926	574 935 670
Transportation Services	66 293 095	149 209 152
	<b>907 192 021</b>	<b>724 144 822</b>
<b>TOTAL</b>	<b>1 908 740 895</b>	<b>1 687 093 170</b>

4. Cost of sales

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

EGP	March 31, 2024	March 31, 2023
Raw materials	1 193 435 522	972 625 072
Manufacturing depreciation	50 944 396	49 876 797
Electricity supply agreement amortization	7 000 597	6 942 636
Right of use amortization	1 868 420	1 473 483
Transportation cost	93 835 328	160 657 791
Overhead cost	31 635 861	32 066 719
<b>TOTAL</b>	<b>1 378 720 124</b>	<b>1 223 642 498</b>

5. General and administration expenses

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

EGP	March 31, 2024	March 31, 2023
Professional services	20 960 457	17 903 797
Salaries and wages	23 112 400	14 055 881
Security and cleaning services	970 692	267 998
Rentals	171 016	34 844
Transportation	1 600 847	1 173 502
Advertising	2 001 979	1 183 239
Depreciation expense	971 859	588 888
Other	20 844 678	14 557 367
<b>TOTAL</b>	<b>70 033 928</b>	<b>49 765 516</b>

6. Finance costs

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

EGP	March 31, 2024	March 31, 2023
Loan interest expense		11 659 356
Finance lease interest	277 132	153 248
Finance interest on long term notes payable	283 420	202 804
Credit facilities interest expense	24 398 190	13 060 375
<b>TOTAL</b>	<b>24 958 742</b>	<b>25 075 783</b>

7. Compensation of key management personnel \*

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

EGP	March 31, 2024	March 31, 2023
Board of Directors salaries and allowance	15 454 247	8 131 984
<b>TOTAL</b>	<b>15 454 247</b>	<b>8 131 984</b>

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

8. Income taxes

8.1 Income tax recognised in profit or loss

EGP	March 31, 2024	March 31, 2023
<b>CURRENT TAX</b>		
Current tax expense for the current period	98 845 117	70 932 633
<b>DEFERRED TAX</b>		
Deferred tax (income) recognized in the current period	(48 101 630)	(23 398 159)
<b>TOTAL INCOME TAX EXPENSE RECOGNIZED IN THE CURRENT PERIOD</b>	<b>50 743 487</b>	<b>47 534 474</b>

8.2 Current tax liabilities

EGP	March 31, 2024	December 31, 2023
Current tax liabilities (note 8.1)	314 707 809	215 862 692
<b>CURRENT TAX LIABILITIES</b>	<b>314 707 809</b>	<b>215 862 692</b>

8.3 Deferred tax balances

EGP	March 31, 2024	Opening balance	Recognized in profit or loss	Closing balance
<b>(Temporary differences)</b>				
<b>Deferred Tax Liability</b>				
Property, plant & equipment		(280 018 664)	1 108 629	(278 910 035)
<b>Deferred Tax Assets</b>				
Unrealized foreign currency exchange losses			46 993 001	46 993 001
<b>NET DEFERRED TAX LIABILITY</b>		<b>(280 018 664)</b>	<b>48 101 630</b>	<b>(231 917 034)</b>

Deferred tax liabilities arise from the following:

EGP	December 31, 2023	Opening balance	Recognized in profit or loss	Closing balance
<b>(Temporary differences)</b>				
<b>Deferred Tax Liability</b>				
Property, plant & equipment		(264 257 505)	(15 761 159)	(280 018 664)
<b>NET DEFERRED TAX LIABILITY</b>		<b>(264 257 505)</b>	<b>(15 761 159)</b>	<b>(280 018 664)</b>

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	March 31, 2024	March 31, 2023
<b>EARNINGS (for basic and diluted earnings per share)</b>		
Profit for the period	150 538 268	243 043 884
Employees' share in distributable profits (Note 17)	(3 290 313)	(2 526 395)
<b>Distributable profit</b>	<b>147 247 955</b>	<b>240 517 489</b>
<b>NUMBER OF SHARES (for basic and diluted earnings per share)</b>		
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700
<b>EARNINGS PER SHARE</b>	<b>0.39</b>	<b>0.64</b>

Arabian Cement Company S.A.E  
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10. Property, plant and equipment (net)

EGP	Freehold land	Buildings and improvements	Vehicles	Machinery and equipment	Furniture and fixtures	Other installations	Computers and software	Total
<b>COST</b>								
Balance at January 1, 2023	50 243 436	663 352 417	38 134 002	2 857 479 064	15 110 765	302 978 330	22 589 172	3 949 887 186
Additions		5 097 629	93 885	163 488	142 960	432 204	1 221 953	7 152 119
Adjustments				(217 255)				( 217 255)
Balance at March 31, 2023	50 243 436	668 450 046	38 227 887	2 857 423 297	15 253 725	303 410 534	23 811 125	3 956 822 050
Balance at January 1, 2024	50 243 436	687 433 257	41 189 330	2 873 439 469	16 590 173	307 368 890	27 127 303	4 003 362 658
Additions		12 687 108	2 025 003	2 321 628	774 457		240 530	18 048 726
Balance at March 31, 2024	50 243 436	700 100 365	43 205 333	2 875 761 097	17 364 630	307 368 890	27 367 833	4 021 411 384
<b>ACCUMULATED DEPRECIATION</b>								
Balance at January 1, 2023		329 992 464	21 627 974	1 587 595 726	10 785 432	168 726 921	21 336 993	2 140 065 510
Depreciation expense		6 990 225	911 124	38 044 753	239 787	3 930 655	349 101	50 465 685
Adjustments				(217 255)				( 217 255)
Balance at March 31, 2023		336 982 689	22 539 098	1 675 423 264	11 025 219	172 657 576	21 686 094	2 190 313 940
Balance at January 1, 2024		358 487 222	25 315 722	1 745 595 744	11 871 274	184 768 474	22 828 283	2 348 866 719
Depreciation expense		7 221 774	1 070 982	38 567 684	268 718	4 083 957	703 140	51 916 255
Adjustments								
Balance at March 31, 2024		365 708 996	26 386 704	1 784 163 428	12 139 992	188 852 431	23 531 423	2 400 782 974
<b>CARRYING AMOUNT</b>								
At March 31, 2024	50 243 436	334 391 369	16 818 629	1 091 597 669	5 224 638	118 516 459	3 836 210	1 620 628 410
At March 31, 2023	50 243 436	331 467 357	15 688 789	1 232 002 033	4 228 506	130 752 958	2 125 031	1 766 508 110
At December 31, 2023	50 243 436	328 926 035	15 864 608	1 127 843 725	4 718 899	122 600 416	4 298 820	1 654 495 939

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) for an amount of EGP 971 859. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) for an amount of EGP 50 944 396.

11. Projects under construction

EGP	March 31, 2024	December 31, 2023
Balance as of January 1	2 426 563	3 952 133
Additions	4 201 346	1 735 742
Transferred to fixed assets (Note no. 10)	-	(3 261 312)
<b>TOTAL</b>	<b>6 627 909</b>	<b>2 426 563</b>

Assets under construction are represented in the following categories:

Machinery and equipment	5 937 088	1 735 742
Technology equipment and installations	690 821	690 821
<b>TOTAL</b>	<b>6 627 909</b>	<b>2 426 563</b>

12. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
<b>Cost</b>			
Cost as of January 1, 2024	563 204 713	225 200 000	788 404 713
Cost as of March 31, 2024	563 204 713	225 200 000	788 404 713
<b>Accumulated amortization</b>			
Accumulated amortization as of January 1, 2024	(400 092 598)	(225 200 000)	(625 292 598)
Amortization for the period	(7 000 597)	-	(7 000 597)
<b>Total accumulated amortization as of March 31, 2024</b>	<b>(407 093 195)</b>	<b>(225 200 000)</b>	<b>(632 293 195)</b>
<b>Net book value March 31, 2024</b>	<b>156 111 518</b>	<b>-</b>	<b>156 111 518</b>
<b>Net book value December 31, 2023</b>	<b>163 112 115</b>	<b>-</b>	<b>163 112 115</b>

**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 (net)**

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

Company name EGP	Domicile	Share/ paid-in capital	March 31, 2024	December 31, 2023	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	%99.99	49 500	49 500	Providing managerial services	99%
<b>TOTAL</b>			<b>47 476 057</b>	<b>47 476 057</b>		
<b>Less: Impairment losses on investment in subsidiaries</b>			<b>(17 160 843)</b>	<b>(17 160 843)</b>		
<b>Net Balance</b>			<b>30 315 214</b>	<b>30 315 214</b>		

14. Investments in joint venture (net)

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	
			March 31, 2024	December 31, 2023
Andalus Reliance for Mining Company	Egypt	50%	125 000	125 000
Less Impairment losses on a joint venture			(125 000)	(125 000)
<b>TOTAL</b>				

15. Inventories

EGP		March 31, 2024	December 31, 2023
Raw materials		66 905 912	67 730 295
Fuel		362 692 891	198 647 084
Packing materials		30 324 554	60 632 591
Spare parts		34 473 324	25 988 452
Work in progress		6 788 304	3 078 115
Finished goods		413 610 650	620 797 199
<b>TOTAL</b>		<b>914 795 635</b>	<b>976 873 736</b>

16. Trade Receivables

EGP		March 31, 2024	December 31, 2023
Trade Receivables		754 209 003	185 976 365
<b>Total</b>		<b>754 209 003</b>	<b>185 976 365</b>

Aging of receivables that are past due but not impaired:

EGP		March 31, 2024	December 31, 2023
Less than 30 days		754 209 003	185 976 365
<b>Total</b>		<b>754 209 003</b>	<b>185 976 365</b>



17. Debtors and other debit balances (net)

EGP	March 31, 2024	December 31, 2023
Advance to suppliers	216 245 688	146 461 127
Unbilled receivables	10 786 716	19 713 183
Withholding tax	25 351 496	17 727 035
Prepaid expenses	18 500 191	17 742 064
Value added tax	2 881 728	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	3 418 453	3 418 453
Employees' dividends paid in advance	3 290 313	10 576 346
Letters of guarantee – cash margin	9 789 649	8 378 849
Imprest funds	4 802 792	4 275 838
Less:- Impairment of debtors and other debit balances	(1 607 808)	(1 607 808)
<b>TOTAL</b>	<b>295 031 345</b>	<b>231 138 942</b>

18. Cash and bank balances

EGP	March 31, 2024	December 31, 2023
Cash on hand	5 999 697	5 626 062
Current account – local currency	308 351 329	454 198 012
Current account – foreign currency	125 386 073	35 933 804
Bank deposits	100 292 872	48 877 272
Restricted cash*	56 711 760	
<b>Total</b>	<b>596 741 731</b>	<b>544 635 150</b>

\* The balance represents restricted cash against inventory items shipping documents will be settled during 2024.

19. Capital

EGP	March 31, 2024	December 31, 2023
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
<b>Issued capital</b>	<b>757 479 400</b>	<b>757 479 400</b>

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	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Local trade payable	252 162 755	279 597 606		
Foreign trade payable	1 395 536 856	736 511 733		
Notes payable*	2 682 867	2 755 518	1 145 067	1 788 996
<b>Total</b>	<b>1 650 382 478</b>	<b>1 018 864 857</b>	<b>1 145 067</b>	<b>1 788 996</b>

\* 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 agreement in 2020 was reached whereby the company was charged by an amount of EGP 19 847 553, which was paid by notes payables until 2025 and is recognized at net present value. The undiscounted value of the notes payables obligation at the end of the period amounted to EGP 5 847 553.

22. Credit facilities

EGP	Current		Non-current	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
<b>First: Credit facilities</b>				
CIB	27 336 632	73 528 497	--	--
NBE	38 076	16 545 438	--	--
EG	--	338	--	--
<b>Total Facilities</b>	<b>27 374 708</b>	<b>90 074 273</b>	<b>--</b>	<b>--</b>

23. Provisions

EGP	Provision for claims
<b>Balance at January 1, 2024</b>	<b>50 729 412</b>
Formed provisions during the period	3 455 000
<b>Balance at March 31, 2024</b>	<b>54 184 412</b>

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

24. Other Creditors and other credit balances

EGP	March 31, 2024	December 31, 2023
Advances from customers	40 466 244	112 670 427
Accrued expenses	42 982 569	29 800 287
Accrued development fees	7 153 182	9 862 067
Accrued customers rebates	85 736 429	97 341 140
Accrued taxes	23 743 225	31 292 927
Accrued interest	249 313	--
Deferred revenue – Grant	10 622 482	10 959 070
Retention	4 830 301	4 830 301
<b>TOTAL</b>	<b>215 783 745</b>	<b>296 756 219</b>

25. Related party transactions

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

EGP	Relation type	Transaction nature	Volume of the transactions	
			March 31, 2024	March 31, 2023
Andalus Concrete Company	Subsidiary	Sales	2 630 760	4 462 675
ACC for Management and Trading Company	Subsidiary	Services	29 986 760	20 055 093
Evolve Investment & Projects Management Company	Subsidiary	Purchases	34 093 968	3 564 915
Cementos La Union – Spain	Subsidiary of the parent	Services	--	1 191 104

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

EGP	Due from related parties		Due to related parties	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Andalus Concrete Company	6 136 867	5 826 297	—	—
Evolve Investment & Projects Management Company	—	—	11 525 094	5 543 349
ACC for Management and Trading Company	7 966 587	2 559 495	—	—
Cementos La Union – Spain	145 624	95 368	—	—
<b>TOTAL</b>	<b>14 249 078</b>	<b>8 481 160</b>	<b>11 525 094</b>	<b>5 543 349</b>

- 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
<b>Cost</b>		
Cost as of January 1, 2024	29 887 393	29 887 393
Addition during the period	764 966	764 966
<b>Cost as of March 31, 2024</b>	<b>30 652 359</b>	<b>30 652 359</b>
<b>Less: - Accumulated amortization</b>		
Accumulated amortization as of January 1, 2024	16 985 887	16 985 887
Amortization for the period	1 868 420	1 868 420
<b>Total accumulated amortization as of March 31, 2024</b>	<b>18 854 307</b>	<b>18 854 307</b>
<b>Net book value March 31, 2024</b>	<b>11 798 052</b>	<b>11 798 052</b>
<b>Net book value December 31, 2023</b>	<b>12 901 506</b>	<b>12 901 506</b>

## 26.2 Lease liabilities

Lease liabilities recognized in the condensed separate statement of financial position

EGP	Current		Non-current	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Lease liabilities	11 879 634	9 481 649	1 378 473	1 739 258
<b>TOTAL</b>	<b>11 879 634</b>	<b>9 481 649</b>	<b>1 378 473</b>	<b>1 739 258</b>

The movement for the lease liabilities during the period as follows:

Amount EGP	March 31, 2024	December 31, 2023
Beginning balance	11 220 907	13 135 634
Additions	764 966	7 400 643
Disposals	—	(784 140)
Unrealized foreign currency exchange losses	2 034 721	—
Interest expenses	277 132	1 296 489
Repayment of lease liabilities	(1 039 619)	(9 827 719)
<b>Ending Balances</b>	<b>13 258 107</b>	<b>11 220 907</b>

## 27. Significant Events during the period ended March 31, 2024

- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on February 1, 2024, to increase the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points to reach 21.25%, 22.25% and 21.75%, respectively. The discount rate was also increased by 200 basis points to 21.75%.
- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on March 6, 2024, to increase the overnight deposit and lending rates and the central bank's main operation rate by 600 basis points to reach 27.25%, 28.25% and 27.75%, respectively. The discount rate was also increased by 600 basis points to 27.75%.
- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on March 6, 2024, to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms.
- On March 3, 2024, the Prime Minister's Decision No. (636) of 2024 was issued and included the replacement of the provisions of some Egyptian Accounting Standards with amended ones. Below is the list of Egyptian Accounting Standards that were replaced with amended ones:
  - Egyptian Accounting Standard No. 32 "Impacts of changes in Foreign Currency Exchange Rates"
  - Egyptian Accounting Standard No. 17 "Separate Financial Statements"
  - Egyptian Accounting Standard No. 34 "Real Estate Investment"
  - The Decree also introduced the Accounting Interpretation No. 2 "Certificates of Reducing Carbon Emissions".

**28. Significant subsequent events for the date of the condensed separate interim financial statements**

On 23 May, 2024, the Prime Minister issued the Ministerial Decree No. 1711 for the year 2024 to amend some provisions of the Egyptian Accounting Standards by adding annex (E) to the Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates". The annex aims to introduce a special and optional accounting treatment for the implications resulted from the movement of the foreign currency exchange rates. The special accounting treatment that is introduced in this annex is not considered an amendment to the Egyptian Accounting Standards that are currently in place. The annex includes the following two options:

**First option:**

Applying the provisions of the amended Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" that was issued in 2024. When applying the amended Egyptian Accounting Standard No. 13, the entity should not restate comparative information. Instead:

- A) When the entity reports foreign currency transactions in its functional currency, and, at the date of initial application (which is the beginning of the annual reporting period in which an entity first applies the amendments), concludes that its functional currency is not exchangeable into the foreign currency or, if applicable, concludes that the foreign currency is not exchangeable into its functional currency, the entity should, at the date of initial application:
- 1) Translate affected foreign currency monetary items, and non-monetary items measured at fair value in a foreign currency, using the estimated spot exchange rate at that date; and
  - 2) Recognize any effect of initially applying the amendments as an adjustment to opening retained earnings.
- B) When the entity uses a presentation currency other than its functional currency, or translates the results and financial position of a foreign operation, and, at the date of initial application, concludes that its functional currency (or the foreign operation's functional currency) is not exchangeable into its presentation currency or, if applicable, concludes that its presentation currency is not exchangeable into its functional currency (or the foreign operation's functional currency), the entity should, at the date of initial application:
- 1) Translate affected assets and liabilities using the estimated spot exchange rate at that date;
  - 2) Translate affected equity items using the estimated spot exchange rate at that date if the entity's functional currency is hyperinflationary and recognize any effect of initially applying the amendments as an adjustment to the cumulative amount of translation differences, accumulated in a separate component of equity.

**Second option:**

Setting additional option to paragraph (28) of the Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" which requires the recognition of the foreign exchange differences in the statement of profit or loss for the period in which they incur. Alternatively, an entity that has outstanding liabilities in foreign currency on the date of the movement of the exchange rates that are related to:

- Preparty, plant, and equipment or investment property or intangible assets (other than goodwill) or mining assets or and right of use assets for lease contracts, to recognize within the cost of those assets the debit currency differences resulting from the paid part of these obligations during the financial period of applying this special accounting treatment in addition to the foreign currency differences resulting from translating the remaining balance of these liabilities as at March 6, 2024 or at the end of the closing date of the financial statements for the financial period of applying this special accounting treatment.
- Also, this treatment permits an entity to recognize foreign exchange gain or loss resulting from the revaluation of monetary balances in foreign currencies that are outstanding as at March 6, 2024 or at the end of the closing date of the financial statements for the financial period of applying this special accounting treatment to be recognized in the statement of other comprehensive income.

And the Management of the Company have opted not to apply the optional amendments for Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" as mentioned-above.

**Sergio Alcantarilla Rodriguez**  
Chief Executive Officer



**Arturo Gallart Mauri**  
Chief Financial Officer

