

**Arabian Cement Company S.A.E.**  
**Condensed Consolidated Interim Financial Statements**  
**together with Limited Review Report**  
**for the six months ended June 30, 2024**

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## Limited Review Report

To: The Board of directors of Arabian Cement Company

### Introduction

We have reviewed the accompanying condensed consolidated interim financial position of Arabian Cement Company SAE as of June 30, 2024, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in shareholders equity and cash flows for the six months 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 consolidated 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 consolidated 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 consolidated 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 consolidated interim financial statements.

### Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly in all material respects, the interim consolidated financial position as of June 30, 2024, and the results of its interim consolidated operations and its interim consolidated cash flows for the six months ended on that date, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, August 12, 2024

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



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

**Arabian Cement Company (S.A.E)**  
**Condensed Consolidated Statement of Financial Position**  
**as of June 30, 2024**  
**(amounts expressed in Egyptian pound)**

	Note No.	June 30, 2024	December 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	(10)	1 636 240 327	1 683 607 099
Assets under construction	(11)	12 412 504	2 426 563
Intangible assets (net)	(12)	149 110 920	163 112 115
Right of use assets (net)	(26-1)	8 937 428	12 901 506
Investment in a joint venture (net)	(13)	--	--
<b>Total non-current assets</b>		<b>1 806 701 179</b>	<b>1 862 047 283</b>
<b>Current assets</b>			
Inventories	(14)	863 034 963	986 106 029
Trade receivables (net)	(15)	592 995 021	228 615 932
Debtors and other debit balances (net)	(16)	271 292 987	249 566 135
Due from related parties	(25)	148 968	95 368
Cash and bank balances	(17)	608 662 991	561 096 680
<b>Total current assets</b>		<b>2 336 134 930</b>	<b>2 025 480 144</b>
<b>Total assets</b>		<b>4 142 836 109</b>	<b>3 887 527 427</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued and paid-up capital	(18)	757 479 400	757 479 400
Legal reserve	(19)	363 627 770	294 829 534
Retained earnings		969 102 867	701 912 725
<b>Equity attributable to owners of the Parent Company</b>		<b>2 090 210 037</b>	<b>1754 221 659</b>
Non-controlling interest	(20)	59 235	48 010
<b>Total Equity</b>		<b>2090 269 272</b>	<b>1754 269 669</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	(8-3)	288 691 885	282 218 616
Lease liabilities	(26-2)	1 058 804	1 739 258
Notes payable	(22)	517 661	1 788 996
<b>Total non-current liabilities</b>		<b>290 268 350</b>	<b>285 746 870</b>
<b>Current liabilities</b>			
Trade and notes payable	(22)	1 078 611 373	1067 664 610
Credit facilities	(21)	275 825 395	90 074 273
Current income tax liability	(8-2)	82 076 205	216 715 896
Lease liabilities	(26-2)	9 527 593	9 481 649
Creditors and other credit balances	(24)	258 868 045	309 899 324
Dividends payable		--	99 229 802
Provisions	(23)	57 389 876	54 445 334
<b>Total current liabilities</b>		<b>1 762 298 487</b>	<b>1 847 510 888</b>
<b>Total Liabilities</b>		<b>2 052 566 837</b>	<b>2 133 257 758</b>
<b>Total equity and liabilities</b>		<b>4 142 836 109</b>	<b>3 887 527 427</b>

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

Sergio Alcantarilla Rodriguez  
Chief Executive Officer

Arturo Gallart Mauri  
Chief Financial Officer

- Auditor's limited review attached.




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

**Arabian Cement Company (S.A.E)**  
**Condensed Consolidated Statement of Profit and Loss**  
**for the six months ended June 30, 2024**  
**(amounts expressed in Egyptian pound)**

	Note No.	<u>Three months ended in</u>		<u>Six months ended in</u>	
		<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Sales (net)	(3)	2 007 744 648	1 474 024 267	3 945 509 026	3 184 034 587
Cost of sales	(4)	<u>(1 677 597 393)</u>	<u>(1 280 513 943)</u>	<u>(3 097 984 708)</u>	<u>(2 536 411 167)</u>
<b>Gross profit</b>		<b>330 147 255</b>	<b>193 510 324</b>	<b>847 524 318</b>	<b>647 623 420</b>
<b>Add/(deduct):</b>					
General and administrative expenses	(5)	( 66 025 149)	(48 248 740)	(121 045 367)	(88 988 011)
Provisions	(23)	( 2 218 201)	(3 637 195)	(5 673 201)	(6 679 195)
Reversal for impairment of investment in a joint venture	(13)	780 000	--	780 000	--
Gain on selling of investment in a joint venture	(13)	1 270 000	--	1 270 000	--
Expected credit losses of trade receivables	(15)	--	( 889 060)	--	(1 777 900)
Interest income		9 833 150	8 389 797	22 398 991	17 595 256
Other income		5 338 104	3 158 283	7 212 449	3 643 803
Finance costs	(6)	( 12 603 975)	(29 616 331)	(37 562 717)	(54 692 114)
Share of loss of a joint venture		--	( 43 727)	--	( 77 749)
Foreign currency exchange losses		<u>( 22 792 784)</u>	<u>( 863 851)</u>	<u>(266 990 828)</u>	<u>(105 071 945)</u>
<b>Net profit for the period before tax</b>		<b>243 728 400</b>	<b>121 759 500</b>	<b>447 913 645</b>	<b>411 575 565</b>
Income tax	(8-1)	<u>( 49 799 712)</u>	<u>(26 441 785)</u>	<u>(101 337 696)</u>	<u>(74 482 577)</u>
<b>Net profit for the period after tax</b>		<b><u>193 928 688</u></b>	<b><u>95 317 715</u></b>	<b><u>346 575 949</u></b>	<b><u>337 092 988</u></b>
<b>Profit attributable to:</b>					
Owners of the Parent Company		193 925 456	95 318 816	346 564 724	337 091 316
Non-controlling interest	(20)	<u>3 232</u>	<u>( 1 101)</u>	<u>11 225</u>	<u>1 672</u>
		<b><u>193 928 688</u></b>	<b><u>95 317 715</u></b>	<b><u>346 575 949</u></b>	<b><u>337 092 988</u></b>
<b>Earnings per share for the period</b>	(9)	<b><u>0.50</u></b>	<b><u>0.24</u></b>	<b><u>0.90</u></b>	<b><u>0.88</u></b>

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

Sergio Alcantarilla Rodriguez  
Chief Executive Officer



Arturo Gallart Mauri  
Chief Financial Officer



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

**Arabian Cement Company (S.A.E)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the six months ended June 30, 2024**  
*(amounts expressed in Egyptian pound)*

	<b>For the three months ended in</b>		<b>For the six months ended in</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
<b>Net profit for the period after tax</b>	193 928 688	95 317 715	346 575 949	337 092 988
Items of other comprehensive income	--	--	--	--
<b>Comprehensive income for the period</b>	<b>193 928 688</b>	<b>95 317 715</b>	<b>346 575 949</b>	<b>337 092 988</b>

- The accompanying notes form an integral part of the condensed consolidated 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 Consolidated Statement of Changes in Shareholders' Equity  
for the six months ended June 30, 2024  
(amounts expressed in Egyptian pound)

	Issued and paid-up capital	Legal reserve	Retained earnings	Attributable to the owners of the Parent Company	Non-controlling Interest	Total
Balance as of January 1, 2023	757 479 400	260 543 120	145 003 980	1 163 026 500	38 121	1 163 064 621
Transferred to legal reserve	--	34 286 415	(34 286 415)	--	--	--
Dividends distributed to employees	--	--	(7 063 780)	(7 063 780)	--	(7 063 780)
Total comprehensive income for the period	--	--	337 091 316	337 091 316	1 672	337 092 988
Balance at June 30, 2023	757 479 400	294 829 535	440 745 101	1 493 054 036	39 793	1 493 093 829
Balance as of January 1, 2024	757 479 400	294 829 534	701 912 725	1 754 221 659	48 010	1 754 269 669
Transferred to legal reserve	--	68 798 236	(68 798 236)	--	--	--
Dividends distributed to employees	--	--	(10 576 346)	(10 576 346)	--	(10 576 346)
Total comprehensive income for the period	--	--	346 564 724	346 564 724	11 225	346 575 949
Balance at June 30, 2024	757 479 400	363 627 770	969 102 867	2 090 210 037	59 235	2 090 269 272

- The accompanying notes form an integral part of the condensed consolidated 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 Consolidated Statement of Cash flow**  
**for the six months ended June 30, 2024**  
**(amounts expressed in Egyptian pound)**

	<u>Note No.</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<b><u>Cash flows from operating activities</u></b>			
Net profit for the period before tax		447 913 645	411 575 565
<b><u>Adjusted by:</u></b>			
Finance costs	(6)	37 562 717	54 692 114
Interest income		(22 398 991)	(17 595 256)
Share of loss of a joint venture	(13)	--	77 749
Depreciation of property, plant and equipment	(10)	107 982 881	104 656 281
Amortization of intangible assets	(12)	14 001 195	13 962 414
Amortization of right of use assets	(26)	3 562 244	3 213 997
Expected credit losses of trade receivables		--	1 777 900
Unrealized foreign currency exchange losses from lease liabilities		2 215 431	--
Gain on selling of investment in a joint venture	(13)	(1 270 000)	--
Reversal for impairment of investment in a joint venture	(13)	( 780 000)	--
Unrealized foreign currency exchange losses from borrowings		--	33 913 044
Provisions formed	(23)	5 673 201	6 679 195
		<u>594 462 323</u>	<u>612 953 003</u>
Decrease / (increase) in inventories		123 071 066	(38 879 138)
Increase in debtors and other debit balances		(32 303 198)	(35 907 731)
Increase in trade receivables		(364 379 089)	(279 046 062)
Increase in amounts due from related parties		( 53 600)	( 19 228)
Decrease in creditors and other credit balances		(51 031 279)	(39 669 937)
Increase in trade and notes payable		9 675 428	238 806 507
Decrease in amounts due to related parties		--	( 369 246)
Provisions used during the period	(23)	(2 728 659)	(1 296 498)
		<u>276 712 992</u>	<u>456 571 670</u>
<b>Cash flows generated from operating activities</b>		<b>37 851 959</b>	<b>(54 211 329)</b>
Finance costs paid		(229 504 118)	(189 218 775)
Income tax paid		<u>9 356 915</u>	<u>213 141 566</u>
<b>Net cash flows generated from operating activities</b>		<b>9 356 915</b>	<b>213 141 566</b>
<b><u>Cash flows from investing activities</u></b>			
Payments for purchase of property, plant and equipment		(59 572 409)	(18 602 886)
Payments for assets under construction		(11 029 641)	--
Interest income received		22 398 991	17 595 256
Proceeds on selling of investment in a joint venture		2 050 000	--
		<u>(46 153 059)</u>	<u>(1 007 630)</u>
<b>Net cash flows used in investing activities</b>		<b>(46 153 059)</b>	<b>(1 007 630)</b>
<b><u>Cash flows from financing activities</u></b>			
Net change in borrowings		--	(79 217 391)
Net change in credit facilities		185 751 122	(161 385 577)
Repayment for lease liabilities	(26)	(2 158 865)	(2 652 689)
Dividends paid		(99 229 802)	(249 968 203)
		<u>84 362 455</u>	<u>(493 223 860)</u>
<b>Net cash flows generated from / (used in) financing activities</b>		<b>84 362 455</b>	<b>(493 223 860)</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>47 566 311</b>	<b>(281 089 924)</b>
Cash and cash equivalents at the beginning of the period		561 096 680	818 442 022
Cash and cash equivalents at the end of the period	(17)	<u>608 662 991</u>	<u>537 352 098</u>

- The accompanying notes form an integral part of the condensed consolidated 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. (The Company or the Parent 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 and their Executive Regulations, according to the decree of the Chairman of the 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 to be Villa 56 El Gihaz Street, Fifth Settlement, New Cairo, Egypt. The admin office was then changed to be in 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 the 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 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 principal activities of the Company and its subsidiaries (the Group) are as follows:

Arabian Cement Company: a cement producer with a clinker capacity of 4.2 million tons per annum that can produce 5 million tons per annum of cement.

Andalus Concrete Company: a producer of concrete products and other constructions materials. The company owns 99.99% of the issued and paid-up capital of Andalus Concrete Company.

ACC Management and Trading Company: providing managerial restructuring services for companies, transportation of goods, projects management, general trading and preparation of feasibility studies. The Company owns 99% of the issued and paid-up capital of ACC Management and Trading Company.

Evolve for Investment and Project Management Principal Activities is Alternative Fuel - Construct and operate factories for recycling. The Company owns 99.99% of the issued and paid-up capital of Evolve for Investment and Project Management.

Egypt Green for Environmental Services, clean energy production and development: establish and operate a factory for the recycle of the wastes of production and services activities. The Company owns 99.99% of the issued and paid-up capital of Egypt Green.

The condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issuance on August 12, 2024.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) interim financial reporting. These condensed consolidated interim financial statements do not include all the information required in the preparation of the full set annual consolidated financial statements and must be read in conjunction with the annual consolidated financial statements as of December 31, 2023.

## 2.2 Basis of preparation

The consolidated 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. The principal accounting policies are set out below.

## 2.3 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; .
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of a group entity to bring its accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
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for the six-months ended June 30, 2024

3. Sales revenue

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

EGP	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Local</b>				
Sales	737 073 944	834 550 972	1,736,892,682	1 805 344 539
Services	98 109 784	18 352 888	128,863,403	33 424 819
<b>TOTAL LOCAL SALES</b>	<b>835 183 728</b>	<b>852 903 860</b>	<b>1 865 756 085</b>	<b>1 838 769 358</b>
<b>Export</b>				
Sales	968 306 832	488 694 294	1,809 205 758	1 063 629 964
Services	204 254 088	132 426 113	270 547 183	281 635 265
<b>TOTAL EXPORT SALES</b>	<b>1 172 560 920</b>	<b>621 120 407</b>	<b>2 079 752 941</b>	<b>1 345 265 229</b>
<b>TOTAL</b>	<b>2 007 744 648</b>	<b>1 474 024 267</b>	<b>3 945 509 026</b>	<b>3 184 034 587</b>

4. Cost of sales

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

EGP	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Raw materials	1 288 121 134	1 027 096 484	2 485 830 148	2 003 702 449
Manufacturing depreciation	53 895 711	52 204 928	106 155 840	103 371 506
Amortization of intangible assets	7 000 598	7 019 778	14 001 195	13 962 414
Amortization of right of use	1 693 824	1 740 514	3 562 244	3 213 997
Transportation cost	231 449 482	120 997 871	327 033 766	266 293 142
Overhead cost	95 436 644	71 454 368	161 401 515	145 867 659
<b>TOTAL</b>	<b>1 677 597 393</b>	<b>1 280 513 943</b>	<b>3 097 984 708</b>	<b>2 536 411 167</b>

5. General and administration expenses

The analysis of the Group's general and administration expenses for the period is as follows:

EGP	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Professional fees	6 379 254	6 299 743	9 986 803	14 107 862
Salaries and wages	32 349 888	18 360 009	55 462 288	32 478 290
Security and cleaning services	449 161	617 236	1 419 853	885 234
Rentals	633 943	22 443	804 959	67 287
Transportation	5 655 352	4 954 457	7 256 199	6 127 959
Advertising	480 376	980 584	2 482 355	2 205 143
Administration depreciation	854 837	548 413	1 827 041	1 284 775
Other expenses	19 222 338	16 465 855	41 805 869	31 831 461
<b>TOTAL</b>	<b>66 025 149</b>	<b>48 248 740</b>	<b>121 045 367</b>	<b>88 988 011</b>

Arabian Cement Company S.A.E.  
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6. Finance costs

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

EGP	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Loan interest expense	-	11 762 647	-	23 422 003
Lease contracts interests	248 525	327 537	525,657	480 785
Bank overdraft interest expense	12 053 439	17 302 886	36 451 629	30 363 261
Other finance cost	302 011	223 261	585 431	426 065
<b>TOTAL</b>	<b>12 603 975</b>	<b>29 616 331</b>	<b>37 562 717</b>	<b>54 692 114</b>

7. Compensation of key management personnel \*

An analysis of the Group's compensation of key management personnel for the period is as follows:

EGP	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Board of directors' salaries and allowances	22 874 363	12 793 229	38 328 610	20 925 213
<b>TOTAL</b>	<b>22 874 363</b>	<b>12 793 229</b>	<b>38 328 610</b>	<b>20 925 213</b>

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

8. Income taxes

8.1 Income tax expense recognised in condensed consolidated statement of profit or loss

EGP	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>CURRENT TAX</b>				
Current tax expense for the current period	(17 801 820)	25 692 115	82 076 205	96 936 131
Current tax expenses related to prior years	12 788 222	--	12 788 222	--
<b>TOTAL CURRENT TAX</b>	<b>( 5 013 598)</b>	<b>25 692 115</b>	<b>94 864 427</b>	<b>96 936 131</b>
<b>DEFERRED TAX</b>				
Net deferred tax recognized in the current period	54 813 310	749 670	6 473 269	(22 453 554)
<b>TOTAL INCOME TAX RECOGNIZED IN THE CURRENT PERIOD</b>	<b>49 799 712</b>	<b>26 441 785</b>	<b>101 337 696</b>	<b>74 482 577</b>

8.2 Current tax liabilities

EGP	June 30, 2024	December 31, 2023
Current tax liabilities	82 076 205	216 715 896
<b>CURRENT TAX LIABILITIES</b>	<b>82 076 205</b>	<b>216 715 896</b>

### 8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

30 June 2024	Opening balance	Recognized in profit or loss	Closing balance
EGP			
<b>(LIABILITIES):</b>			
Property, plant & equipment	282 218 616	20 628 304	302 846 920
<b>ASSETS:</b>			
Unrealized Forex foreign exchange Losses	--	(14 155 035)	(14 155 035)
<b>NET DEFERRED TAX LIABILITY</b>	<b>282 218 616</b>	<b>6 473 269</b>	<b>288 691 885</b>

  

31 December 2023	Opening balance	Recognized in profit or loss	Closing balance
EGP			
<b>(LIABILITIES):</b>			
<i>Temporary differences</i>			
Property, plant & equipment	266 201 710	16 016 906	282 218 616
<b>NET DEFERRED TAX LIABILITY</b>	<b>266 201 710</b>	<b>16 016 906</b>	<b>282 218 616</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	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Earnings for basic and diluted earnings per share</b>				
Profit for the period attributable to owners of the parent	193 925 456	95 318 816	346 564 724	337 091 316
Employees share in distributable profits (note 16)	(3 754 944)	(2 671 201)	(7 045 257)	(5 197 596)
<b>Distributable profit for the period</b>	<b>190 170 512</b>	<b>92 647 615</b>	<b>339 519 467</b>	<b>331 893 720</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	378 739 700	378 739 700
<b>EARNINGS PER SHARE FOR THE PERIOD</b>	<b>0.50</b>	<b>0.24</b>	<b>0.90</b>	<b>0.88</b>

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10. Property, plant and equipment (net)		Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
<b>COST</b>									
Balance at January 1, 2023	50 243 436	669 653 224	61 826 691	2 886 293 199	15 892 264	304 062 824	23 517 100	4 011 488 738	
Additions	--	8 219 790	4 624 948	2 993 936	727 485	432 203	1 604 524	18 602 886	
Adjustments	--	--	--	(217 255)	--	--	--	--	(217 255)
Balance at June 30, 2023	50 243 436	677 873 014	66 451 639	2 889 069 880	16 619 749	304 495 027	25 121 624	4 029 874 369	
Balance at January 1, 2024	50 243 436	695 148 822	67 485 657	2 903 406 606	17 375 697	308 453 384	28 093 778	4 070 207 380	
Additions	--	20 709 234	25 985 930	4 539 274	1 550 345	4 429 059	2 358 567	59 572 409	
Transferred from assets under construction	1 043 700	--	--	--	--	--	--	--	1 043 700
Balance at June 30, 2024	50 243 436	716 901 756	93 471 587	2 907 945 880	18 926 042	312 882 443	30 452 345	4 130 823 489	
<b>ACCUMULATED DEPRECIATION</b>									
Balance at January 1, 2023	--	330 340 343	37 240 898	1 601 280 541	11 446 424	1 69 828 036	22 247 938	2 172 364 180	
Depreciation expense	--	13 947 401	2 987 035	78 522 474	518 776	7 914 596	765 999	104 656 281	
Adjustments	--	--	--	(217 255)	--	--	--	--	(217 255)
Balance at June 30, 2023	--	344 287 744	40 227 933	1 679 585 760	11 965 200	177 742 632	23 013 937	2 276 823 206	
Balance at January 1, 2024	--	358 985 496	42 982 928	1 762 441 704	12 553 665	185 879 501	23 756 987	2 386 600 281	
Depreciation expense	--	14 875 889	4 659 275	78 403 776	564 580	8 216 500	1 262 461	107 982 881	
Balance at June 30, 2024	--	373 861 385	47 642 203	1 840 845 480	13 118 245	194 096 401	25 019 448	2 494 583 162	
<b>CARRYING AMOUNT</b>									
At June 30, 2023	50 243 436	343 040 371	45 829 384	1 067 100 400	5 807 797	118 786 042	5 432 897	1 636 240 327	
At June 30, 2024	50 243 436	333 585 270	26 223 706	1 209 484 120	4 654 549	126 752 395	2 107 687	1 753 051 163	
At December 31, 2023	50 243 436	336 163 326	24 502 729	1 140 964 902	4 822 032	122 573 883	4 336 791	1 683 607 099	

- The Group 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 1,827,041. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) in the amount of EGP 106,155,840.

**11. Assets under construction**

EGP	June 30, 2024	December 31, 2023
Opening balance for the period / year	2 426 563	3 952 133
Additions	11 029 641	1 735 742
Transferred to fixed assets (Note no.10)	(1 043 700)	(3 261 312)
<b>Ending balance for the period / year</b>	<b>12 412 504</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 June 30, 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	(14 001 195)	--	(14 001 195)
<b>Total accumulated amortization as of June 30, 2024</b>	<b>(414 093 793)</b>	<b>(225 200 000)</b>	<b>(639 293 793)</b>
<b>Net book value June 30, 2024</b>	<b>149 110 920</b>	<b>--</b>	<b>149 110 920</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 the 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 the 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 a joint venture

Details of the Group's associates at the end of the reporting period are as follows:

Name of associate	Place of incorporation	Proportion of ownership interest and voting power held by the Group	EGP	
			June 30, 2024	December 31, 2023
Andalus Reliance for Mining Company	Egypt	50%	--	780 000
Less: Impairment losses on investment in a joint venture			--	(780 000)
<b>TOTAL</b>			--	--

\* The movement during the period for the impairment losses in investment in a joint venture analysed as follows:

EGP	June 30, 2024	December 31, 2023
Opening balance	780 000	--
Formed during the period / year	--	780 000
Reversed during the period / year	(780 000)	--
<b>Ending balance</b>	--	<b>780 000</b>

\*\* During the period, the Group have sold its share in Andalus Reliance for Mining Company and the gain on the selling of investment in a joint venture amounted to EGP 1 270 000.

### 14. Inventories

EGP	June 30, 2024	December 31, 2023
Raw materials	62 543 605	69 890 570
Fuel	303 671 784	198 797 761
Packing materials	72 879 495	60 632 591
Spare parts	36 464 105	30 598 718
Work in progress	4 685 582	3 078 115
Finished goods	382 790 392	623 108 274
<b>TOTAL</b>	<b>863 034 963</b>	<b>986 106 029</b>



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15. Trade receivables, net

EGP	June 30, 2024	December 31, 2023
Trade receivables	598 137 102	233 758 013
Less: Expected credit loss	(5 142 081)	(5 142 081)
<b>TOTAL</b>	<b>592 995 021</b>	<b>228 615 932</b>

16. Debtors and other debit balances, net

EGP	June 30, 2024	December 31, 2023
Advance to suppliers	178 232 238	146 800 831
Withholding tax	31 023 977	32 805 681
Prepaid expenses	16 588 307	18 471 694
Value added tax	3 030 265	3 183 686
Real estate tax	1 572 127	1 572 127
Deposit with others	3 447 653	3 418 453
Employees' dividends paid in advance	7 045 257	10 576 346
Letters of guarantee – cash margin	9 417 451	8 683 651
Unbilled receivables	15 522 290	19 713 183
Imprest funds	7 452 996	6 463 297
Other debit balances	156 516	73 276
Less: Impairment losses in debtors	(2 196 090)	(2 196 090)
<b>TOTAL</b>	<b>271 292 987</b>	<b>249 566 135</b>

17. Cash and bank balances

EGP	June 30, 2024	December 31, 2023
Cash in hand	7 906 317	6 194 632
Current account – local currency	148 538 555	470 090 068
Current account – foreign currency*	446 941 847	35 934 708
Bank deposits	5 276 272	48 877 272
<b>Total</b>	<b>608 662 991</b>	<b>561 096 680</b>

\* Current accounts of foreign currencies include an amount of 58 013 880 EGP which represents cash restricted against inventory items with shipping documents will be settled during 2024.

18. Capital

EGP	June 30, 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>

#### 19. 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. The applied percentage of legal reserve is as follow:

Description	%
Arabian Cement Company	10%
Andalus Concrete Company	10%
ACC for Management and Trading Company	5%

#### 20. Non-controlling interests

EGP	June 30, 2024	December 31, 2023
Balance at beginning of period	48 010	38 121
Profit attributable to non-controlling interest for the period	11 225	9 889
<b>Balance at end of period</b>	<b>59 235</b>	<b>48 010</b>

#### 21. Credit Facilities

EGP	Current		Non-current	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Credit facilities – CIB	239 870 747	73 528 497	--	--
Credit facilities – NBE	35 954 648	16 545 438	--	--
Credit facilities – EG	--	338	--	--
<b>Total Facilities</b>	<b>275 825 395</b>	<b>90 074 273</b>	<b>--</b>	<b>--</b>

#### 22. Trade and notes payable

EGP	Current		Non-current	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Local trade payables	336 186 313	328 397 359	--	--
Foreign trade payables	738 932 831	736 511 733	--	--
Notes payable*	3 492 229	2 755 518	517 661	1 788 996
<b>Total</b>	<b>1 078 611 373</b>	<b>1 067 664 610</b>	<b>517 661</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 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 payable obligation at the end of the period amounted to EGP 4 847 553.

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23. Provision for claims

EGP	
Balance at January 1, 2024	54 445 334
Formed provisions during the period	5 673 201
Provisions used during the period	(2 728 659)
<b>Balance at June 30, 2024</b>	<b>57 389 876</b>

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	June 30, 2024	December 31, 2023
Advances from customers	87 472 870	113 053 042
Accrued development fees	8 483 301	9 862 067
Accrued customers rebates	53 727 656	97 341 140
Accrued expenses	49 381 226	31 500 223
Retention	5 085 301	4 830 301
Accrued interest	3 626 589	--
Accrued taxes	38 111 102	40 087 197
Accrued revenue – Grant	10 240 777	10 959 070
Other	2 739 223	2 266 284
<b>TOTAL</b>	<b>258 868 045</b>	<b>309 899 324</b>

25. Related party transactions

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

EGP	Nature of relationship	Nature of transaction	Amount of transaction	
			June 30, 2024	June 30, 2023
Cementos La Union – Spain Company	Subsidiary of the parent	Services	3 566 598	2 500 853

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

EGP	Due from related parties		Due to related parties	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Cementos la Union – Spain Company	148 968	95 368	--	--
<b>Total</b>	<b>148 968</b>	<b>95 368</b>	<b>--</b>	<b>--</b>

26. Lease contract

26.1 Right of Use

EGP	Land and buildings	Machinery & Equipment	Total
<b>Cost</b>			
Cost as of January 1, 2024	29 887 393	16 900 557	46 787 950
Additions	764 966	--	764 966
Cancelled lease contracts during the period	(1 166 800)	--	(1 166 800)
<b>Cost as of June 30, 2024</b>	<b>29 485 559</b>	<b>16 900 557</b>	<b>46 386 116</b>
<b>Less: - Accumulated amortization</b>			
Accumulated amortization as of January 1, 2024	(16 985 887)	(16 900 557)	(33 886 444)
Amortization for the period	(3 562 244)	--	(3 562 244)
<b>Total accumulated amortization as of June 31, 2023</b>	<b>(20 548 131)</b>	<b>(16 900 557)</b>	<b>(37 448 688)</b>
<b>Net book value June 30, 2024</b>	<b>8 937 428</b>	<b>--</b>	<b>8 937 428</b>
<b>Net book value December 31, 2023</b>	<b>12 901 506</b>	<b>--</b>	<b>12 901 506</b>

26.2 Lease liabilities

Lease liabilities recognized in the condensed consolidated statement of financial position

EGP	Current		Non-current	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Lease liabilities	9 527 593	9 481 649	1 058 804	1 739 258
<b>TOTAL</b>	<b>9 527 593</b>	<b>9 481 649</b>	<b>1 058 804</b>	<b>1 739 258</b>

\* The lease interest cost during period amounted to EGP 525 657 (refer to note 6)

Amount EGP	June 30, 2023	December 31, 2023
<b>Beginning balance</b>	11 220 907	13 135 634
Additions	764 966	7 400 643
Cancelation of lease contracts during the period	(1 981 699)	(784 140)
Foreign currency exchange differences	2 215 431	--
Interest expenses	525 657	1 296 489
Repayment of finance leasing	(2 158 865)	(9 827 719)
<b>Ending Balances</b>	<b>10 586 397</b>	<b>11 220 907</b>

**27. Significant events during the period**

- 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".
- 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

