

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

**Condensed Separate 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**  
**An Egyptian Joint Stock Company**

#### Introduction

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

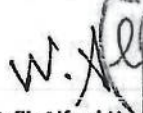
#### Scope of Review

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 do not present fairly, in all material respects, the interim separate financial position as of June 30, 2024, and the results of its interim separate operations and its interim separate cash flows for the six months then ended, 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)  
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*Translation of the separate financial statements  
originally issued in Arabic*

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

	Note No.	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	(10)	1 608 291 832	1 654 495 939
Assets under construction	(11)	10 936 804	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 subsidiaries (net)	(13)	30 315 214	30 315 214
Investment in a joint venture (net)	(14)	..	..
<b>Total non-current assets</b>		<u>1 807 592 198</u>	<u>1 863 251 337</u>
<b>Current assets</b>			
Inventories	(15)	854 450 082	976 873 736
Trade receivables	(16)	557 932 147	185 976 365
Debtors and other debit balances (net)	(17)	250 855 381	231 138 942
Due from related parties	(25)	15 377 665	8 481 160
Cash and bank balances	(18)	586 426 366	544 635 150
<b>Total current assets</b>		<u>2 265 041 641</u>	<u>1 947 105 353</u>
<b>Total assets</b>		<u>4 072 633 839</u>	<u>3 810 356 690</u>
<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		948 602 324	688 085 124
<b>Total equity</b>		<u>2 069 582 955</u>	<u>1 740 267 519</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	(8-9)	286 547 439	280 018 664
Lease liabilities	(26-2)	1 058 804	1 739 258
Notes payable	(21)	517 661	1 788 996
<b>Total non-current liabilities</b>		<u>288 123 904</u>	<u>283 546 918</u>
<b>Current liabilities</b>			
Trade and notes payable	(21)	1 038 402 099	1 018 864 857
Credit facilities	(22)	275 825 395	90 074 273
Current income tax liabilities	(8-2)	79 153 314	215 862 692
Lease liabilities	(26-2)	9 527 593	9 481 649
Creditors and other credit balances	(24)	249 170 307	296 756 219
Due to related parties	(25)	8 113 860	5 543 349
Dividends payable		..	99 229 802
Provisions	(23)	54 734 412	50 729 412
<b>Total current liabilities</b>		<u>1 714 926 980</u>	<u>1 786 542 253</u>
<b>Total Liabilities</b>		<u>2 003 050 884</u>	<u>2 070 089 171</u>
<b>Total equity and liabilities</b>		<u>4 072 633 839</u>	<u>3 810 356 690</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

- Auditor's limited review 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 six months ended June 30, 2024

(amounts expressed in Egyptian pound)

		The three months ended in		The six months ended in	
	Note No.	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Sales (net)	(3)	1 973 093 257	1 450 895 831	3 881 834 152	3 137 989 001
Cost of sales	(4)	(1 630 623 799)	(1 246 651 045)	(3 009 343 923)	(2 470 293 543)
<b>Gross profit</b>		<b>342 469 458</b>	<b>204 244 786</b>	<b>872 490 229</b>	<b>667 695 458</b>
<b>Add/(deduct):</b>					
General and administrative expenses	(5)	(84 862 744)	(57 919 027)	(154 896 672)	(107 684 543)
Provisions	(23)	(1 717 650)	(3 000 000)	(5 172 650)	(6 000 000)
Interest income		9 336 512	8 503 801	21 585 925	17 321 538
Other income		5 201 521	2 619 363	6 858 806	2 978 702
Reversal for impairment of investment in a joint venture	(14)	125 000	--	125 000	--
Gain on selling of investment in a joint venture	(14)	1 925 000	--	1 925 000	--
Finance costs	(6)	(12 603 975)	(29 616 331)	(37 562 717)	(54 692 114)
Foreign currency exchange losses		(22 792 784)	(863 851)	(266 990 828)	(105 071 942)
<b>Net profit for the period before tax</b>		<b>237 080 338</b>	<b>123 968 741</b>	<b>438 362 093</b>	<b>414 547 099</b>
Income taxes	(8-1)	(47 726 824)	(26 454 023)	(98 470 311)	(73 988 497)
<b>Net profit for the period after tax</b>		<b>189 353 514</b>	<b>97 514 718</b>	<b>339 891 782</b>	<b>340 558 602</b>
<b>Earnings per share for the period</b>	(9)	<b>0.49</b>	<b>0.25</b>	<b>0.88</b>	<b>0.89</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

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**Arabian Cement Company (S.A.E)**  
**Condensed Separate Statement of Comprehensive Income**  
**for the six months ended June 30, 2024**

	for the three months ended in		for the six months ended in	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net profit for the period after tax	189 353 514	97 514 718	339 891 782	340 558 602
Items of other comprehensive income	--	--	--	--
<b>Comprehensive income for the period</b>	<b>189 353 514</b>	<b>97 514 718</b>	<b>339 891 782</b>	<b>340 558 602</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

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Arabian Cement Company (S.A.E)  
Condensed Separate Statement of Changes in Shareholders' Equity  
for the six months ended June 30, 2024  
(amounts expressed in Egyptian pound)

	<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 year	--	--	340 558 602	340 558 602
Balance as of June 30, 2023	757 479 400	294 702 995	439 891 169	1 492 073 564
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 year	--	--	339 891 782	339 891 782
Balance as of June 30, 2024	757 479 400	363 501 231	948 602 324	2 069 582 955

- 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 six months ended June 30, 2024**  
**(amounts expressed in Egyptian pound)**

	Note No.	June 30, 2024	June 30, 2023
<b>Cash flows from operating activities</b>			
Net profit for the period before tax		438 362 093	414 547 099
<b>Adjusted by:</b>			
Finance costs	(6)	37 562 717	54 692 114
Interest income		(21 585 925)	(17 321 538)
Depreciation of property, plant and equipment	(10)	105 233 398	101 689 292
Amortization of intangible assets	(12)	14 001 195	13 962 414
Amortization of right of use assets	(26-1)	3 562 244	3 213 997
Unrealized foreign currency exchange losses from lease liabilities	(26-2)	2 215 431	--
Unrealized foreign currency exchange losses from borrowings		--	33 913 044
Gain on selling of investment in a joint venture	(14)	(1 925 000)	--
Reversal of impairment loss on a joint venture	(14)	(1 125 000)	--
Provisions	(23)	5 172 650	6 000 000
		<u>582 473 803</u>	<u>610 696 422</u>
Decrease / (increase) in inventories		122 423 654	(36 897 393)
Increase in debtors and other debit balances		(30 292 785)	(32 259 173)
Increase in amounts due from related parties		(6 896 505)	(744 680)
Increase in trade receivables		(371 955 782)	(281 940 346)
Increase in trade and notes payables		18 265 907	238 899 621
Increase in amounts due to related parties		2 570 511	170 153
Decrease in creditors and other credit balances		(47 585 912)	(39 453 459)
Provisions used	(23)	(1 167 650)	(1 109 836)
Cash flows generated from operating activities		<u>267 835 241</u>	<u>457 361 309</u>
Finance costs paid		(37 851 959)	(54 171 440)
Income tax paid		(228 650 914)	(187 976 308)
Net cash flows generated from operating activities		<u>1 332 368</u>	<u>215 213 561</u>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(57 985 591)	(14 015 812)
Payments for assets under construction		(9 553 941)	--
Interest income received		21 585 925	17 321 538
Proceeds on selling of investment in a joint venture		2 050 000	--
Net cash flows (used in) / generated from investing activities		<u>(43 903 607)</u>	<u>3 305 726</u>
<b>Cash flows from financing activities</b>			
Net change in borrowings		185 751 122	(161 385 577)
Net change in credit facilities		(2 158 865)	(2 652 689)
Repayment for lease liabilities	(26-2)	(99 229 802)	(249 968 203)
Dividends paid		84 362 455	(493 223 860)
Net cash flows generated from / (used in) financing activities		<u>41 791 216</u>	<u>(274 704 573)</u>
Net change in cash and cash equivalents during the period		544 635 150	797 971 564
Cash and cash equivalents at the beginning of the period		<u>586 426 366</u>	<u>523 266 991</u>
Cash and cash equivalents at the end of the period	(18)	<u>1 131 061 516</u>	<u>1 321 238 555</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





**Arabian Cement Company S.A.E**  
**Condensed separate interim financial statements**  
**Together with limited review Report**  
**For the six months ended June 30, 2024**

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**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 and their Executive Regulations, 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 has 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 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 August 12, 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.

Arabian Cement Company S.A.E  
Condensed separate interim financial statements  
Together with limited review Report  
For the six months ended June 30, 2024

3. Sales revenue

An analysis of the Company'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
<u>Local</u>				
Sales	766 555 678	813 763 043	1 737 350 933	1 761 639 461
Services	33 976 659	16 012 380	64 730 278	31 084 310
<b>Total Local Sales</b>	<b>800 532 337</b>	<b>829 775 423</b>	<b>1 802 081 211</b>	<b>1 792 723 771</b>
<u>Export</u>				
Sales	968 306 832	488 694 294	1 809 205 758	1 063 629 964
Services	204 254 088	132 426 114	270 547 183	281 635 266
<b>Total Export Sales</b>	<b>1 172 560 920</b>	<b>621 120 408</b>	<b>2 079 752 941</b>	<b>1 345 265 230</b>
<b>Total Sales</b>	<b>1 973 093 257</b>	<b>1 450 895 831</b>	<b>3 881 834 152</b>	<b>3 137 989 001</b>

4. Cost of sales

An analysis of the Company'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 material	1 281 797 191	1 022 850 246	2 475 232 713	1 995 475 318
Manufacturing depreciation	52 316 791	50 540 040	103 261 187	100 416 837
Electricity supply agreement amortization	7 000 598	7 019 778	14 001 195	13 962 414
Right of use amortization	1 693 824	1 740 514	3 562 244	3 213 997
Transportation cost	229 289 248	119 792 259	323 124 576	264 210 050
Overhead cost	58 526 147	44 708 208	90 162 008	93 014 927
<b>Total</b>	<b>1 630 623 799</b>	<b>1 246 651 045</b>	<b>3 009 343 923</b>	<b>2 470 293 543</b>

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		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Professional services	25 917 190	17 155 969	46 277 647	35 059 766
Salaries and wages	32 349 888	18 316 889	55 462 288	32 372 770
Security and cleaning services	449 161	617 236	1 419 853	885 234
Rentals	633 943	32 443	804,959	67 287
Transportation	5 654 267	4 954 457	7 255 114	6 127 959
Advertising	480 376	980 584	2 482 355	2 163 823
Administrative depreciation	1 000 352	683 567	1 972 211	1 272 455
Other expenses	18 377 567	15 177 882	39 222 245	29 735 249
<b>Total</b>	<b>84 862 744</b>	<b>57 919 027</b>	<b>154 896 672</b>	<b>107 684 543</b>

Arabian Cement Company S.A.E  
Condensed separate interim financial statements  
Together with limited review Report  
For the six months ended June 30, 2024

6. Finance costs

An analysis of the Company'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
Interest expense on loans	--	11 762 647	--	23 422 003
Lease liability interest	248 525	327 537	525 657	480 785
Note payables interest	302 011	223 261	585 431	426 065
Credit facilities interest expense	12 053 439	17 302 886	36 451 629	30 363 261
<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 Company'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 allowances and salaries	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 recognised in separate 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	(19 691 803)	25 717 437	79 153 314	96 650 070
Current tax expense related to prior year	12 788 222	--	12 788 222	--
<b>TOTAL CURRENT TAX</b>	<b>(6 903 581)</b>	<b>25 717 437</b>	<b>91 941 536</b>	<b>96 650 070</b>
<b>DEFERRED TAX</b>				
Net deferred tax recognized in the current period	54 630 405	736 586	6 528 775	(22 661 573)
<b>TOTAL INCOME TAX</b>	<b>47 726 824</b>	<b>26 454 023</b>	<b>98 470 311</b>	<b>73 988 497</b>

8.2 Current income tax liabilities

EGP	June 30, 2024	December 31, 2023
Current income tax liabilities	79 153 314	215 862 692
<b>CURRENT INCOME TAX LIABILITIES</b>	<b>79 153 314</b>	<b>215 862 692</b>

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8.3 Deferred tax liabilities (net)

Deferred tax (liabilities) / assets arise from the followings:

June 30, 2024	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(Temporary differences)			
Deferred Tax Liability			
Property, plant & equipment	(280 018 664)	(20 683 810)	(300 702 474)
Deferred tax Assets			
Unrealized foreign currency exchange losses	--	14 155 035	14 155 035
<b>NET DEFERRED TAX LIABILITY</b>	<b>(280 018 664)</b>	<b>(6 528 775)</b>	<b>(286 547 439)</b>
December 31, 2023	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(LIABILITIES)			
Temporary differences			
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	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	189 353 514	97 514 718	339 891 782	340 558 602
Employees' share in distributable profits (note 17)	(3 754 944)	(2 671 201)	(7 045 257)	(5 197 596)
<b>Distributable profit</b>	<b>185 598 570</b>	<b>94 843 517</b>	<b>332 846 525</b>	<b>335 361 006</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>PROFIT PER SHARE</b>	<b>0.49</b>	<b>0.25</b>	<b>0.88</b>	<b>0.89</b>

Arabian Cement Company S.A.E  
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10. Property, plant and equipment (net)									
EGP	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	663 352 417	38 134 002	2 857 479 064	15 110 765	302 978 330	22 589 172	3 949 887 186	
Additions	--	7 159 392	1 432 043	2 702 936	723 460	432 204	1 565 777	14 015 812	
Adjustments	--	--	--	( 217 225)	--	--	--	( 217 225)	
Balance at June 30, 2023	50 243 436	670 511 809	39 566 045	2 859 964 775	15 834 225	303 410 534	24 154 949	3 963 685 773	
Balance at January 1, 2024	50 243 436	687 413 257	41 180 330	2 873 439 469	16 590 173	307 368 890	27 127 103	4 003 362 658	
Additions	--	20 709 234	25 171 850	3 996 274	1 493 715	5 540 291	1 074 227	57 985 591	
Transfer from assets under construction	--	1 043 700	--	--	--	--	--	1 043 700	
Balance at June 30, 2024	50 243 436	709 166 191	66 352 180	2 877 435 743	18 083 888	312 909 181	28 201 330	4 062 391 949	
<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	--	13 872 239	1 868 069	76 766 848	513 485	7 909 681	758 970	101 689 292	
Adjustments	--	--	--	( 217 225)	--	--	--	( 217 225)	
Balance at June 30, 2023	--	343 864 703	23 496 043	1 664 145 349	11 298 917	176 636 602	22 095 963	2 241 537 577	
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	--	14 793 613	3 411 321	77 167 227	550 418	8 203 245	1 107 574	105 233 398	
Balance at June 30, 2024	--	373 280 835	28 727 043	1 822 762 971	12 421 692	192 971 719	23 935 857	2 454 100 117	
<b>CARRYING AMOUNT</b>									
At June 30, 2024	50 243 436	335 885 356	37 625 137	1 054 672 772	5 662 196	119 937 462	4 265 473	1 608 291 832	
At June 30, 2023	50 243 436	326 647 106	16 070 002	1 195 819 426	4 535 308	126 773 932	2 058 986	1 722 148 196	
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) in the amount of EGP 1 972 211. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) in the amount of EGP 103 261 187.

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11. Assets under construction

EGP	June 30, 2024	December 31, 2023
Balance as of January 1	2 426 563	3 952 133
Additions	9 553 941	1 735 742
Transferred to property plant and equipment (Note No.10)	(1 043 700)	(3 261 312)
<b>TOTAL</b>	<b>10 936 804</b>	<b>2 426 563</b>

Assets under construction are represented in the following categories:

Machinery and equipment	8 905 310	1 735 742
Technology equipment and installations	2 031 494	690 821
<b>TOTAL</b>	<b>10 936 804</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)
Accumulated amortization as of June 30, 2024	(414 093 793)	(225 200 000)	(639 293 793)
Net book value June 30, 2024	149 110 920	--	149 110 920
Net book value December 31, 2023	163 112 115	--	163 112 115

**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).

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**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	June 30, 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	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>TOTAL</b>			<b>30 315 214</b>	<b>30 315 214</b>		

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14. Investments in a 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	
			June 30, 2024	December 31, 2023
Andalus Reliance for Mining Company**	Egypt	50%	--	125 000
Less: impairment losses on investment in a joint venture*			--	(125 000)
<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	125 000	--
Formed during the period / year	--	125 000
Reversed during the period / year	(125 000)	--
<b>Ending balance</b>	--	<b>125 000</b>

\*\* During the period, the Company 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 1 925 000.

15. Inventories

EGP	June 30, 2024	December 31, 2023
Raw materials	59 436 324	67 730 295
Fuel	303 437 270	198 647 084
Packing materials	72 879 495	60 632 591
Spare parts	32 080 094	25 988 452
Work in progress	4 685 582	3 078 115
Finished goods	381 931 317	620 797 199
<b>TOTAL</b>	<b>854 450 082</b>	<b>976 873 736</b>



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16. Trade Receivables

EGP	June 30, 2024	December 31, 2023
Trade Receivables	557 932 147	185 976 365
<b>Total</b>	<b>557 932 147</b>	<b>185 976 365</b>

17. Debtors and other debit balances (net)

EGP	June 30, 2024	December 31, 2023
Advance to suppliers	178 018 761	146 461 127
Unbilled receivables	15 277 207	19 713 183
Withholding tax	14 708 407	17 727 035
Prepaid expenses	16 045 383	17 742 064
Value added tax	2 881 728	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	3 447 653	3 418 453
Employees' dividends in advance	7 045 257	10 576 346
Letters of guarantee – cash margin	9 112 649	8 378 849
Cash imprest	4 354 017	4 275 838
Less:- Impairment of debtors and other debit balances	(1 607 808)	(1 607 808)
<b>TOTAL</b>	<b>250 855 381</b>	<b>231 138 942</b>

18. Cash and bank balances

EGP	June 30, 2024	December 31, 2023
Cash in hand	7 261 660	5 626 062
Current account – local currency	127 046 929	454 198 012
Current account – foreign currency	446 941 505	35 933 804
Bank deposits	5 176 272	48 877 272
<b>Total</b>	<b>586 426 366</b>	<b>544 635 150</b>

Current account in foreign currency includes an amount of 58 013 880 EGP which represents cash restricted against inventory items shipping documents will be settled during 2024.

19. 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>

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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	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Local trade payable	296 856 984	279 597 606	--	--
Foreign trade payable	738 932 831	736 511 733	--	--
Notes payable*	2 612 284	2 755 518	517 661	1 788 996
<b>Total</b>	<b>1 038 402 099</b>	<b>1 018 864 857</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 was charged by 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 4 847 553.

22. Credit Facilities

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

23. Provisions

EGP	Provision for claims
<b>Balance at January 1, 2024</b>	<b>50 729 412</b>
Formed provisions during the period	5 172 650
Provisions used during the period	(1 167 650)
<b>Balance at June 30, 2024</b>	<b>54 734 412</b>

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

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24. Creditors and other credit balances

EGP	June 30, 2024	December 31, 2023
Advances from customers	87 472 870	112 670 427
Accrued expenses	47 875 807	29 800 287
Accrued development fees	8 483 301	9 862 067
Accrued customers rebates	53 727 656	97 341 140
Accrued tax authority	32 913 006	31 292 927
Accrued interest	3 626 589	--
Deferred revenue – Grant	10 240 777	10 959 070
Retention	4 830 301	4 830 301
<b>TOTAL</b>	<b>249 170 307</b>	<b>296 756 219</b>

25. Related parties' transactions

During the period, entered the following transactions with related parties:

EGP	Relation type	Transaction nature	Volume of the transactions	
			June 30, 2024	June 30, 2023
Andalus Concrete Company	Subsidiary	Sales	8 622 894	4 940 538
ACC for Management and Trading Company	Subsidiary	Services	64 133 125	40 709 505
Evolve Investment & Projects Management Company	Subsidiary	Purchases	57 371 793	8 695 935
Cementos La Union – Spain	Subsidiary of the parent	Services Sales	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
Andalus Concrete Company	5 922 676	5 826 297	--	--
Evolve Investment & Projects Management Company	--	--	8 113 860	5 543 349
ACC for Management and Trading Company	9 306 021	2 559 495	--	--
Cementos La Union – Spain	148 968	95 368	--	--
<b>TOTAL</b>	<b>15 377 665</b>	<b>8 481 160</b>	<b>8 113 860</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 supplies the raw materials for Arabian Cement Company.

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- Evolve Company supplies 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
Additions	764 966	764 966
Less: Cancellation of 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>29 485 559</b>
<b>Less: - Accumulated amortization</b>		
Accumulated amortization as of January 1, 2024	(16 985 887)	(16 985 887)
Amortization for the period	(3 562 244)	(3 562 244)
<b>Total accumulated amortization as of June 30, 2024</b>	<b>(20 548 131)</b>	<b>(20 548 131)</b>
<b>Net book value June 30, 2024</b>	<b>8 937 428</b>	<b>8 937 428</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	
	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 interest during period amounted to EGP 525 657 (refer to note 6).

Amount EGP	June 30, 2024	December 31, 2023
Beginning balance	11 220 907	13 135 634
Additions	764 966	7 400 643
Cancellation of lease during the period	(1 981 699)	(784 140)
Foreign currency exchange difference	2 215 431	--
Interest expenses	525 657	1 296 489
Repayment of lease liabilities	(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 ended June 30, 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".

- 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.

The company's management has decided not to apply any of the optional treatments mentioned above for the period ended 30-June-2024.

Sergio Alcantarilla Rodriguez  
Chief Executive Officer



Arturo Gallart Mauri  
Chief Financial Officer

