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

Contents

Arabian Cement Company (condensed consolidated interim financial statements)

Deloitte.

Wafik, Ramy & Partners
Accountants and Auditors
Cairo Festival City Business Park,
Building 14D, Fifth Settlement,
Cairo, 11835
Egypt
P.O. Box 45, Zamalek 11211

Tel: +20 (0) 2 488 087 00
www.deloitte.com

Limited Review Report
on the Condensed Consolidated Interim Financial Statements

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 September 30, 2024, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in shareholders equity and cash flows for the nine 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 September 30, 2024, and the results of its interim consolidated operations and its interim consolidated cash flows for the nine months ended on that date, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, November 11, 2024

Wafik, Ramy Accountants & Auditors Partners 1

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

Arabian Cement Company (S.A.E)
Condensed Consolidated Statement of Financial Position
as of September 30, 2024

	Note No.	September 30, 2024 EGP	For the nine months ended in EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(10)	1 603 541 614	1 683 607 099
Assets under construction	(11)	71 197 850	2 426 563
Intangible assets (net)	(12)	142 033 393	163 112 115
Right of use assets (net)	(26)	7 340 838	12 901 506
Investment in a joint venture	(13)	--	--
Total non-current assets		**1 824 113 695**	**1 862 047 283**
Current assets			
Inventories	(14)	764 523 525	986 106 029
Trade receivables (net)	(15)	312 019 846	228 615 932
Debtors and other debit balances (net)	(16)	454 932 606	249 566 135
Due from related parties	(25)	148 857	95 368
Cash and bank balances	(17)	1 080 161 013	561 096 680
Total current assets		**2 611 785 847**	**2 025 480 144**
Total assets		**4 435 899 542**	**3 887 527 427**
Equity and liabilities			
Equity			
Issued and paid-up capital	(18)	757 479 400	757 479 400
Legal reserve	(19)	363 627 770	294 829 534
Retained earnings		1 287 247 804	701 912 725
Equity attributable to owners of the Parent Company		**2 408 354 974**	**1754 221 659**
Non-controlling interests	(20)	66 181	48 010
Total Equity		**2408 421 155**	**1754 269 669**
Liabilities			
Non-current liabilities			
Borrowings	(21)	31 529 319	--
Deferred tax liabilities	(8-3)	271 736 413	282 218 616
Lease liabilities	(26)	469 833	1 739 258
Notes payable	(22)	--	1 788 996
Total non-current liabilities		**303 735 565**	**285 746 870**
Current liabilities			
Trade and notes payable	(22)	728 947 009	1067 664 610
Credit facilities	(21)	460 886 283	90 074 273
Current income tax liability	(8-2)	189 583 015	216 715 896
Lease liabilities	(26)	9 752 625	9 481 649
Creditors and other credit balances	(24)	270 234 602	309 899 324
Current portion of long term borrowings	(21)	4 699 411	--
Dividends payable		--	99 229 802
Provisions	(23)	59 639 877	54 445 334
Total current liabilities		**1 723 742 822**	**1 847 510 888**
Total Liabilities		**2 027 478 387**	**2 133 257 758**
Total equity and liabilities		**4 435 899 542**	**3 887 527 427**

- 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 report attached.

Arabian Cement Company (S.A.E)
Condensed Consolidated Statement of profit and loss
for the nine months ended September 30, 2024

EGP	Note No.	For the three months ended in September 30, 2024	September 30, 2023	For the nine months ended in September 30, 2024	September 30, 2023
Sales (net)	(3)	2 441 400 606	1 418 868 663	6 386 909 632	4 602 903 250
Cost of sales	(4)	(1 923 185 807)	(1 153 325 619)	(5 021 170 515)	(3 689 736 786)
Gross profit		518 214 799	265 543 044	1 365 739 117	913 166 464
Add/(deduct):					
General and administrative expenses	(5)	(76 579 970)	(51 840 505)	(197 625 337)	(140 828 516)
Provisions	(23)	(2 250 001)	(3 042 000)	(7 923 202)	(9 721 195)
Reversal for impairment of investment in a joint venture		--	--	780 000	--
Gain on disposal of investment in a joint venture		--	--	1 270 000	--
Expected credit losses on trade receivables	(15)	--	--	--	(1 777 900)
Interest income		8 802 397	5 319 879	31 201 388	22 915 135
Other income		5 106 234	7 601 294	12 318 683	11 245 097
Finance costs	(6)	(23 661 137)	(17 931 406)	(61 223 854)	(72 623 520)
Captial Gain		--	240 000	--	240 000
Share of (loss) profit of a joint venture		--	(1 439 173)		(1 516 922)
Foreign currency exchange losses		(20 929 101)	(343 056)	(287 919 929)	(105 415 001)
Net profit for the period before tax		408 703 221	204 108 077	856 616 866	615 683 642
Income tax	(8-1)	(90 551 338)	(40 949 155)	(191 889 034)	(115 431 732)
Net profit for the period after tax		**318 151 883**	**163 158 922**	**664 727 832**	**500 251 910**
Profit attributable to:					
Owners of the Parent Company		318 144 937	163 150 240	664 709 661	500 241 556
Non-controlling interests	(20)	6 946	8 682	18 171	10 354
		318 151 883	**163 158 922**	**664 727 832**	**500 251 910**
Earnings per share for the period	(9)	**0.83**	**0.42**	**1.73**	**1.3**

- 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 Comprehensive Income
for the nine months ended September 30, 2024

	For the three months ended in		For the nine months ended in	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net profit for the period after tax	318 151 883	163 158 922	664 727 832	500 251 910
Items of other comprehensive income	--	--	--	--
Comprehensive income for the period	**318 151 883**	**163 158 922**	**664 727 832**	**500 251 910**

- 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 nine months ended September 30, 2024

	Issued and paid-up capital	Legal reserve	For the nine months ended in	Attributable to the owners of the Parent Company	Non-controlling interests	Total
	EGP	EGP	EGP	EGP	EGP	EGP
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	--	--	500 241 556	500 241 556	10 354	500 251 910
Balance at September 30, 2023	757 479 400	294 829 535	603 895 341	1 656 204 276	48 475	1 656 252 751
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	--		664 709 661	664 709 661	18 171	664 727 832
Balance at September 30, 2024	**757 479 400**	**363 627 770**	**1 287 247 804**	**2 408 354 974**	**66 181**	**2 408 421 155**

- 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 nine months ended September 30, 2024

			For the nine months ended in
EGP	Note No.	September 30, 2024	September 30, 2023
Cash flows from operating activities			
Net profit for the period before tax		856 616 866	615 683 642
Adjusted by:			
Finance costs	(6)	61 223 854	72 623 520
Interest income		(31 201 388)	(22 915 135)
Share of loss (profit) of a joint venture	(13)	--	1 516 922
Depreciation of property, plant and equipment	(10)	163 416 706	158 120 220
Captial Gain		--	(240 000)
Amortization of intangible assets	(12)	21 078 722	21 059 332
Amortization of right of use assets	(26)	5 158 834	5 032 848
Unrealized foreign currency exchange losses from lease liabilities		2 260 652	--
Gain on disposal of investment in a joint venture		(1 270 000)	--
Reversal for impairment of investment in a joint venture		(780 000)	--
Expected credit losses on trade receivables		--	1 777 900
Provisions formed	(23)	7 923 202	9 721 195
		1084 427 448	862 380 444
Decrease / (Increase) in inventories		221 582 504	(176 215 445)
(Increase) / decrease in debtors and other debit balances		(215 942 817)	15 876 522
Increase in trade receivables		(83 403 914)	(95 363 020)
Decrease in amounts due from related parties		(53 489)	(19 228)
Decrease in creditors and other credit balances		(39 664 722)	(48 846 789)
(Decrease) / increase in trade and notes payable		(340 506 597)	74 826 081
Decrease in amounts due to related parties		--	(369 246)
Provisions used	(23)	(2 728 659)	(24 358 425)
Cash flows generated from operating activities		623 709 754	607 910 894
Finance costs paid		(61 323 388)	(71 728 666)
Income tax paid		(229 504 118)	(189 710 058)
Net cash flows generated from operating activities		332 882 248	346 472 170
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(82 307 521)	(34 130 563)
Payments for assets under construction		(69 814 987)	--
Interest income received		31 201 388	22 915 135
Proceeds on disposal of investment in a joint venture		2 050 000	240 000
Net cash flows used in investing activities		(118 871 120)	(10 975 428)
Cash flows from financing activities			
Net change in borrowings		36 228 730	(341 010 870)
Net change in credit facilities		370 812 010	(265 701 437)
Repayment for lease liabilities	(26)	(2 757 733)	(4 383 582)
Dividends paid		(99 229 802)	(249 968 203)
Net cash flows used in financing activities		305 053 205	(861 064 092)
Net change in cash and cash equivalents during the period		519 064 333	(525 567 350)
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)	1080 161 013	292 874 672

- 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 Law No. 230 of 1989 and Law No. 95 of 1992 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 changed to be on Gamal Abdel Nasser square (west Arabella), Fifth Settlement Arabella Plaza, Office Building (A), 5th floor.

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

The 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: establishment and operate factory for recycle for the wastes of production and services activity. 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 issue on November 11, 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1.1 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.

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.

3. Sales revenue

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

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Local				
Sales	1 116 270 110	993 503 933	2 853 162 792	2 798 848 472
Services	88 989 720	27 921 092	217 853 123	61 345 911
	1 205 259 830	**1 021 425 025**	**3 071 015 915**	**2 860 194 383**
Export				
Sales	997 820 829	312 898 604	2 807 026 587	1 376 528 568
Services	238 319 947	84 545 034	508 867 130	366 180 299
	1 236 140 776	**397 443 638**	**3 315 893 717**	**1 742 708 867**
TOTAL	**2 441 400 606**	**1 418 868 663**	**6 386 909 632**	**4 602 903 250**

4. Cost of sales

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

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Raw materials	1 475 227 053	907 993 117	3 961 057 201	2 911 695 566
Manufacturing depreciation	54 361 789	52 803 077	160 517 629	156 174 583
Amortization of intangible assets	7 077 527	7 096 918	21 078 722	21 059 332
Amortization of right of use	1 596 591	1 818 851	5 158 835	5 032 848
Transportation cost	285 648 387	92 239 644	612 682 153	358 532 786
Overhead cost	99 274 460	91 374 012	260 675 975	237 241 671
TOTAL	**1 923 185 807**	**1 153 325 619**	**5 021 170 515**	**3 689 736 786**

5. General and administration expenses

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

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Professional fees	8 602 123	4 825 981	18 588 926	18 933 843
Salaries and wages	32 888 954	20 703 177	88 351 242	53 181 467
Security and cleaning services	1 067 144	984 952	2 486 997	1 870 186
Rentals	646 883	50 914	1 451 842	118 201
Transportation	8 889 610	3 389 129	16 145 809	9 517 088
Advertising	599 314	85 688	3 081 669	2 290 831
Administration depreciation	1 072 036	660 862	2 899 077	1 945 637
Other expenses	22 813 906	21 139 802	64 619 775	52 971 263
TOTAL	**76 579 970**	**51 840 505**	**197 625 337**	**140 828 516**

6. Finance costs

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

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Loan interest expense	15 822	8 678 603	15 822	32 100 606
Lease contracts interests	189 707	414 069	715 364	894 854
Bank overdraft interest expense	23 135 091	8 594 879	59 586 720	38 958 140
Other finance cost	320 517	243 855	905 948	669 920
TOTAL	**23 661 137**	**17 931 406**	**61 223 854**	**72 623 520**

7. Compensation of key management personnel *

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

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Board of directors' salaries and allowances	21 551 626	13 224 780	59 880 236	34 149 993
TOTAL	21 551 626	**13 224 780**	59 880 236	**34 149 993**

* 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

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
CURRENT TAX				
Current income tax expense for the period	107 506 810	37 655 705	189 583 015	134 591 836
Current tax expenses related to prior years	--	--	12 788 222	--
DEFERRED TAX	**107 506 810**	**37 655 705**	**202 371 237**	**134 591 836**
Net deferred tax recognized during the period	(16 955 472)	3 293 450	(10 482 203)	(19 160 104)
TOTAL INCOME TAX FOR THE PERIOD	**90 551 338**	**40 949 155**	**191 889 034**	**115 431 732**

8.2 Current tax liabilities

EGP	September 30, 2024	December 31, 2023
Current tax liabilities	189 583 015	216 715 896
CURRENT TAX LIABILITIES	**189 583 015**	**216 715 896**

8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

September 30, 2024 EGP	Opening balance	Recognized in profit or loss	Closing balance
(LIABILITIES):			
Property, plant & equipment	(282 218 616)	21 226 661	(260 991 955)
Unrealized Forex foreign exchange Gains	--	(10 744 458)	(10 744 458)
NET DEFERRED TAX LIABILITY	**(282 218 616)**	**10 482 203**	**(271 736 413)**

December 31, 2023 EGP	Opening balance	Recognized in profit or loss	Closing balance
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	(266 201 710)	(16 016 906)	(282 218 616)
NET DEFERRED TAX LIABILITY	**(266 201 710)**	**(16 016 906)**	**(282 218 616)**

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:

	Three months ended		Nine months ended	
EGP	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Earnings for basic and diluted earnings per share				
Profit for the period attributable to owners of the parent company	318 144 937	163 150 240	664 709 661	500 241 556
Employees share in distributable profits (note 16)	(3 947 584)	(2 705 336)	(10 992 841)	(7 902 932)
Distributable profit for the period	**314 197 353**	**160 444 904**	**653,716 820**	**492 338 624**
Number of shares (for basic and diluted earnings per share)				
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700	378 739 700	378 739 700
EARNINGS PER SHARE	**0.83**	**0.42**	**1.73**	**1.30**

10. Property, plant and equipment (net)

EGP	Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST						For the nine months ended in		
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	--	15 636 354	5 323 922	8 681 295	2 066 804	470 950	1 951 238	**34 130 563**
Transferred from Project under construction	--	--	--	--	--	3 261 312	--	**3 261 312**
Disposals	--	--	--	(360 000)	--	--	--	**(360 000)**
Adjustements	--	--	--	(217 225)	--	--	--	**(217 225)**
Balance at Septemebr 30, 2023	50 243 436	685 289 578	67 150 613	2 894 397 269	17 959 068	307 795 086	25 468 338	4 048 303 388
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	--	29 857 048	32 430 684	9 297 827	2 012 040	7 052 291	1 657 631	82 307 521
Transferred from Project under construction		1 043 700						1 043 700
Balance at Septemebr 30, 2024	50 243 436	726 049 570	99 916 341	2 912 704 433	19 387 737	315 505 675	29 751 409	4 153 558 601
ACCUMULATED DEPRECIATION								
Balance at January 1, 2023	--	330 340 343	37 240 898	1601 280 541	11 446 424	169 828 036	22 247 938	2 172 384 180
Depreciation expense	--	21 379 370	4 551 018	118 298 471	817 756	11 945 724	1 127 881	158 120 220
Disposals	--	--	--	(360 000)	--	--	--	(360 000)
Adjustments	--	--	--	(217 225)	--	--	--	(217 225)
Balance at September 30, 2023	--	351 719 713	41 791 916	1 719 001 787	12 264 180	181 773 760	23 375 819	2 329 927 175
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	--	22 573 260	7 425 903	118 015 208	836 090	12 503 258	2 062 987	163 416 706
Balance at September 30, 2024	--	381 558 756	50 408 831	1 880 456 912	13 389 755	198 382 759	25 819 974	2 550 016 987
CARRYING AMOUNT								
At September 30, 2024	50 243 436	344 490 814	49 507 510	1 032 247 521	5 997 982	117 122 916	3 931 435	1 603 541 614
At September 30, 2023	50 243 436	333 569 865	25 358 697	1 175 395 482	5 694 888	126 021 326	2 092 519	1 718 376 213
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 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 2 899 077. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) in the amount of EGP 160 517 629.

11. Assets under construction

EGP	September 30, 2024	December 31, 2023
Balance as of January 1	2 426 563	3 952 133
Additions	69 814 987	1 735 742
Transferred to fixed assets (Note no.10)	(1 043 700)	(3 261 312)
Total	**71 197 850**	**2 426 563**
Assets under construction are represented in the following categories:		
Machinery and equipment	69 166 356	1 735 742
Technology equipment and installations	2 031 494	690 821
TOTAL	**71 197 850**	**2 426 563**

12. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
Cost			
Cost as of January 1 , 2024	563 204 713	225 200 000	788 404 713
Cost as of September 30, 2024	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2024	(400 092 598)	(225 200 000)	**(625 292 598)**
Amortization for the period	(21 078 722)	--	**(21 078 722)**
Total accumulated amortization as of September 30, 2024	(421 171 320)	(225 200 000)	(646 371 320)
Net book value September 30, 2024	142 033 393	--	142 033 393
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 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. Investment in a joint venture

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

Name of associate EGP	Place of incorporation	Proportion of ownership interest and voting power held by the Group	September 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)
TOTAL			--	--

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

EGP	September 30, 2024	December 31, 2023
Opening balance	780 000	--
Formed during the period / year	--	780 000
Revered during the period / year	(780 000)	--
Ending balance	--	**780 000**

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

14. Inventories

EGP	September 30, 2024	December 31, 2023
Raw materials	100 586 247	69 890 570
Fuel	383 741 810	198 797 761
Packing materials	58 652 065	60 632 591
Spare parts	42 708 198	30 598 718
Work in progress	4 023 213	3 078 115
Finished goods	174 212 242	623 108 274
Goods in transit	599 750	--
TOTAL	**764 523 525**	**986 106 029**

15. Trade receivables, net

EGP	September 30, 2024	December 31, 2023
Trade receivables	317 161 927	233 758 013
Less: Expected credit loss	(5 142 081)	(5 142 081)
TOTAL	**312 019 846**	**228 615 932**

16. Debtors and other debit balances, net

EGP	September 30, 2024	December 31, 2023
Advance to suppliers	324 973 829	146 800 831
Withholding tax	44 620 925	32 805 681
Prepaid expenses	12 233 495	18 471 694
Value added tax	21 587 011	3 183 686
Real estate tax	1 572 127	1 572 127
Deposit with others	5 991 883	3 418 453
Employees' dividends paid in advance	10 992 841	10 576 346
Letters of guarantee – cash margin	9 506 260	8 683 651
Unbilled receivables	13 588 169	19 713 183
Imprest funds	12 048 724	6 463 297
Other debit balances	13 432	73 276
Less: Impairment losses in debtors	(2 196 090)	(2 196 090)
TOTAL	**454 932 606**	**249 566 135**

17. Cash and bank balances

EGP	September 30, 2024	December 31, 2023
Cash on hand	6 142 769	6 194 632
Current account – local currency	156 072 216	470 090 068
Current account – foreign currency	912 669 755	35 934 708
Bank deposits	5 276 273	48 877 272
Total	**1 080 161 013**	**561 096 680**

18. Capital

EGP	September 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
Issued capital	**757 479 400**	**757 479 400**

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	September 30, 2024	December 31, 2023
Balance at beginning of period	48 010	38 121
Profit / (loss) attributable to non-controlling interest	18 171	9 889
Balance at end of period	**66 181**	**48 010**

21. Borrowings

	Current		Non-current	
EGP	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
First: Credit facilities				
Credit facilities – CIB	407 181 160	73 528 497	--	--
Credit facilities – NBE	53 705 023	16 545 438	--	--
Credit facilities – EG	100	338	--	--
Total Facilities	**460 886 283**	**90 074 273**	--	--
Second: Bank loans				
Bank loans – NBE	4 699 411	--	31 529 319	--
Total bank Loans	**4 699 411**		**31 529 319**	

* On July 23, 2024, a facility agreement have been signed between the Company (the "borrower") and the National Bank of Egypt (the "lender") for the Anti - Industrial Pollution Program "third phase", and under the grant from KfW Development bank's grant for industrial pollution control projects with a total amount of Euro 3 090 000 equivalent to EGP 242 000 000 to be paid over five years in 20 quarterly installments at an interest rate of 3% above the Euribor rate for 6 months. The monthly commission is calculated at a rate of one per mile on the highest debit balance for the amounts withdrawn or used from the facility agreement. The financing amount shall be utilized as follows:

- Pay the amounts due to contractors and/ or local and foreign suppliers through making banking transfers in favor of the Project's contractors and suppliers by virtue of supply agreements approved by the Egyptian Environmental Affairs Agency's (EEAA) Project Implementation Unit (PIU) supported by invoices, progress payments and/ or claims approved by the Borrower.
- Open irrevocable at-sight / deferred letters of credit (LCs) and/ or accept incoming documentary related to the Project, and
- Refinance or pay the shipping documents received under opened LCs and/ or issued LGs, and/ or pay the value of the documentary collections related to the project.

To guarantee the facility including principal amount, interests, commissions, expenses and fees and/or any other due amounts under this facility, and as a guarantee for the borrower performance of the obligations subject to this Contract, the Borrower presents to the Bank to increase the existing commercial mortgage in favor of the Bank in the amount of the tangible assets contemplated herein. In case of canceling the mortgages made on the Borrower's assets, a first-degree commercial mortgage shall be taken out on the tangible assets, subject of the Facility within 3 months from the Project's completion date.

The pledges in the financing agreement other than the guarantees referred to earlier included the followings:

- Not incur any indebtedness and/or loans or facilities from the banking sector whether inside or outside of Egypt unless a prior written consent from the Bank is obtained.
- Obtain the required certificate from EEAA, which shall indicate pollution abatement as per the relevant study.
- Not to pay any dividends except after repaying any amounts due under the Facility.
- The leverage ratio shall not exceed 2.5 times during the fiscal year ended 31/12/2023.
- The Borrower shall take out an insurance on all relevant works and property forming part of the Project, in the range of 110% of the full amount of facility.

According to the terms of the facility agreement, the borrower enjoys a grant provided by the bank at different percentages of the value of the facility, determined according to several conditions stipulated in the financing contract, where no return is calculated on those percentages and/or is reduced from the value of the facility.

22. Trade and notes payable

	Current		Non-current	
EGP	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Local trade payables	509 419 777	328 397 359		--
Foreign trade payables	217 076 770	736 511 733		--
Notes payable	2 450 462	2 755 518	--	1 788 996
Total	**728 947 009**	**1 067 664 610**	**--**	**1 788 996**

23. Provision for claims

EGP	
Balance at January 1st 2024	**54 445 334**
Formed provisions during the period	7 923 202
Provisions used during the period	(2 728 659)
Balance at September 30, 2024	**59 639 877**

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

24. Creditors and other credit balances

EGP	September 30, 2024	December 31, 2023
Advances from customers	58 989 025	113 053 042
Accrued development fees	8 392 959	9 862 067
Accrued customers rebates	111 002 093	97 341 140
Accrued expenses	36 293 832	31 500 223
Retention	9 163 699	4 830 301
Accrued interest	7 250 234	--
Accrued taxes	26 166 970	40 087 197
Accrued revenue – Grant	9 854 630	10 959 070
Other	3 121 160	2 266 284
TOTAL	**270 234 602**	**309 899 324**

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 September 30, 2024	September 30, 2023
Cementos La Union – Spain Company	Subsidiary of the parent	Services	5 624 277	3 815 574
		Sales		--

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

EGP	Due from related parties		Due to related parties	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Cementos la Union – Spain Company	148 857	95 368	--	
Andalus Reliance for Mining Company	--	--	--	
Total	**148 857**	**95 368**	**--**	

26. Lease contract

26.1 Right of Use

EGP	Land and buildings	Machinery & Equipment	Total
Cost			
Cost as of January 1, 2024	29 887 393	16 900 557	**46 787 950**
Additions	764 966		**764 966**
Disposals	(1 166 800)		**(1 166 800)**
Cost as of September 30, 2024	29 485 559	16 900 557	**46 386 116**
Less: - Accumulated amortization			
Accumulated amortization as of January 1, 2024	(16 985 887)	(16 900 557)	**(33,886,444)**
Amortization for the period	(5 158 834)	--	**(5 158 834)**
Total accumulated amortization as of September 30, 2024	**(22 144 721)**	**(16 900 557)**	**(39 045 278)**
Net book value September 30, 2024	**7 340 838**	--	**7,340 838**
Net book value December 31, 2023	**12 901 506**	--	**12,901,506**

26.2 Lease liabilities

Lease liabilities recognized in the condensed consolidated statement of financial position

EGP	Current		Non-current	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Lease liabilities	9 752 625	9 481 649	469 833	1 739 258
TOTAL	**9 752 625**	**9 481 649**	**469 833**	**1 739 258**

* The lease interest cost during period amounted to EGP 715 365 (refer to note 6)

Amount EGP	September 30, 2024	December 31, 2023
Beginning balance	11 220 907	**13 135 634**
Additions	764 966	7 400 643
Disposals	(1 981 699)	(784 140)
Unrealized foreign currency exchange losses	2 260 652	--
Interest expenses	715 365	1 296 489
Repayment of finance leasing	(2 757 733)	(9 827 719)
Ending Balances	**10 222 458**	**11 220 907**

27. Significant Events during the period ended September 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".x
- 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 September 30, 2024.

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

On October 23, 2024, The Prime Minister issued Decree No.3527 for the year 2024 to amend some provisions of the Egyptian Accounting Standards by adding the Accounting Standards No. (51) "Financial Reporting in Hyperinflationary Economies".

The effective date of applying this new Accounting Standards is pending the issuance of the application guidelines by the Prime Minister or his authorized representative.

Sergio Alcantarilla Rodriguez	**Arturo Gallart Mauri**
Chief Executive Officer	Chief Financial Officer