Translation of consolidated financial statement
Originally issued in Arabic

GB Corp
(An Egyptian Joint Stock Company)

Consolidated Interim Financial Statements
For The Financial Period Ended June 30, 2023
And Limited Review Report

KPMG Hazem Hassan
Public Accountants & Consultants

Translation of consolidated financial statement
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Translation of limited review report
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Limited review report on consolidated interim financial statements

To: The Board of Directors of GB Corp (S.A.E)

Introduction

We have performed a limited review for the accompanying consolidated balance sheet of GB Corp (S.A.E) as at June 30, 2023 and the related consolidated statements of income and comprehensive income, changes in equity, and cash flows for the Six -month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (no. 2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with 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 interim consolidated financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2023 and of its financial performance and its cash flows for the Six -month then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan
Public Accountants & Consultants

KPMG Hazem Hassan
Public Accountants and Consultants
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Cairo August 14, 2023

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Financial Position
as at June 30, 2023

(All amounts in thousand Egyptian Pound)	Note No.	30 June 2023	31 December 2022
Assets			
Non-current assets			
Property, plant, equipment and projects under construction (Net)	(16)	5 476 321	4 945 174
Assets right of use	(17)	453 299	431 535
Intangible assets and goodwill	(18)	359 042	361 277
Payments under investment	(31)	72	72
Investment in associate with fair value through P&L	(35)	10 037 776	9 559 706
Other investments with fair value through profit and losses	(36)	106 500	106 500
Long term notes receivables (Net)	(12)	4 497 723	2 973 743
Deferred tax assets	(10-B)	295 147	257 769
Investment property	(19)	90 905	90 905
Debtors and other debit balances	(14-A)	1 049 547	398 886
Subordinated Loan		50 000	50 000
Total non-current assets		**22 416 332**	**19 175 567**
Current assets			
Assets held for sale		855 000	855 000
Inventories (Net)	(11)	5 693 204	3 920 044
Accounts and notes receivables (Net)	(13)	3 640 220	3 060 579
Debtors and other debit balances (Net)	(14-B)	3 558 478	3 323 285
Due from related parties	(34)	353 914	185 008
Cash on hand and at banks	(15)	3 901 760	4 098 083
Total current assets		**18 002 576**	**15 441 999**
Total assets		**40 418 908**	**34 617 566**
Equity			
Issued and paid in capital	(20)	1 085 500	1 085 500
Reserve for financial Solvency	(42)	-	10 711
General risk reserve	(41)	-	131
Legal reserve	(22)	514 025	533 542
Other reserves	(23)	4 330 275	3 277 220
Private risk reserve - Non banking financial service	(40)	20 393	20 393
Retained Earning		12 029 382	1 820 099
Net Profit for the period / year		608 252	9 984 958
Equity attributable to shareholders of the parent		**18 587 827**	**16 732 554**
Non-controlling interests	(24)	1 608 421	728 195
Total equity		**20 196 248**	**17 460 749**
Liabilities			
Non-current liabilities			
Loans	(26)	4 454 191	2 940 313
Bond Payable Long term	(39)	240 000	280 000
Long term notes payables and creditors		242 565	380 317
Right of use Liability		271 509	344 343
Warranty provisions	(28)	9 632	13 935
Deferred tax liabilities	(10-B)	323 346	331 615
Total non-current liabilities		**5 541 243**	**4 290 523**
Current liabilities			
Provisions	(28)	341 655	346 315
Current tax liabilities	(10-A)	229 656	324 089
Loans, borrowings and overdrafts	(26)	6 881 865	6 040 231
Due to related parties	(34)	119 907	101 739
Bond Payable	(39)	103 077	241 538
Trade payables and other credit balances	(27)	7 005 257	5 812 382
Total current liabilities		**14 681 417**	**12 866 294**
Total liabilities		**20 222 660**	**17 156 817**
Total equity and liabilities		**40 418 908**	**34 617 566**

* The accompanying notes form an integral part of these consolidated interim financial statements, and to be read therewith.

Group Chief Financial Officer and
Executive Board Member
Abbas Elsayed

Executive Board Member
Nader Ghabbour

**Limited Review report "attached"

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Income
for the financial Period ended 30 June 2023

(All amounts in thousand Egyptian Pound)	Note No.	The six Months ended 30, June 2023	The six Months ended 30, June 2022	The three Months ended 30, June 2023	The three Months ended 30, June 2022
Operating revenue		10 751 382	15 675 848	6 009 902	7 833 763
Operating cost		(8 364 962)	(11 665 088)	(4 672 932)	(5 656 543)
Gross profit		**2 386 420**	**4 010 760**	**1 336 970**	**2 177 220**
Other income	(6)	140 801	156 232	76 572	68 752
Selling and marketing expenses		(489 853)	(1 104 364)	(267 290)	(518 874)
General and administrative expenses		(919 784)	(946 468)	(497 436)	(571 308)
Provisions and Impairment of Current and Non-Current assets (Net)	(8)	(67 171)	(51 445)	(16 451)	(15 228)
Operating Profit		**1 050 413**	**2 064 715**	**632 365**	**1 140 562**
Finance costs (Net)	(7)	(697 510)	(532 774)	(240 677)	(194 913)
Gain /(Loss) from investment in associate & investment liquidation	(35)	482 530	(30 509)	260 365	(3 223)
Net profit for the period before income tax		**835 433**	**1 501 432**	**652 053**	**942 426**
Income tax (expense)	(10-C)	(182 794)	(407 557)	(103 366)	(214 198)
Net profit for the period after income tax		**652 639**	**1 093 875**	**548 687**	**728 228**
Attributable to:					
Shareholder's of the parent company		608 252	719 864	500 559	490 470
Non-controlling interests		44 387	374 011	48 128	237 758
		652 639	**1 093 875**	**548 687**	**728 228**
Basic earning per share (EGP/Share)	(9)	0.560	0.661	0.458	0.449

* The accompanying notes form an integral part of these consolidated interim financial statements, and to be read therewith.

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Comprehensive Income
for the financial Period ended 30 June 2023

(All amounts in thousand Egyptian Pound)	The six Months ended 30, June 2023	The six Months ended 30, June 2022	The three Months ended 30, June 2023	The three Months ended 30, June 2022
Net profit for the period after income tax	652 639	1 093 875	548 687	728 228
Other comprehensive income items				
Foreign currency translation difference	1 241 754	474 176	(64)	78 918
Modification surplus of fixed assets result	(6 704)	(7 344)	(3 796)	(3 378)
Total other comprehensive income for the period before income tax	**1 235 050**	**466 832**	**(3 860)**	**75 540**
Income tax related to other comprehensive income item	1 900	269	1 017	(606)
Total other comprehensive income for the period after income tax	**1 236 950**	**467 101**	**(2 843)**	**74 934**
Total other comprehensive income for the period	**1 889 589**	**1 560 976**	**545 844**	**803 162**
Other comprehensive income is attributable to:				
Shareholder's of the parent company	1 705 174	1 073 680	509 290	518 394
Non-controlling interests	184 415	487 296	48 554	284 768
	1 889 589	**1 560 976**	**545 844**	**803 162**

* The accompanying notes form an integral part of these consolidated interim financial statements, and to be read therewith.

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Shareholders Equity
for the financial Period ended 30 June 2023

30 June 2023

(All amounts in thousand Egyptian Pound)	Shareholder's equity of the parent company														
	Share capital	Legal reserve	Treasury Bills	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve	Share premium (Special reserve)	Reserve for financial solvency	General risk reserve	Private risk reserve - Non banking financial service	Retained Earning	Net profit for the period	Total	Non-Controlling interests	Total equity
Balance at December 31, 2022	1 085 500	533 542		2 214 460	88 882	69 837	904 041	10 711	131	20 393	1 820 099	9 984 958	16 732 554	728 195	17 460 749
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	9 984 958	(9 984 958)	-	-	-
Total comprehensive income															
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	608 252	608 252	44 387	652 639
Modification surplus of fixed assets after income tax (Net)	-	-	-	-	-	(4 804)	-	-	-	-	-	-	(4 804)	-	(4 804)
Other Comprehensive income items	-	-	-	1 036 439	-	-	-	-	-	-	-	-	1 036 439	205 315	1 241 754
Total comprehensive income	-	-	-	1 036 439	-	(4 804)	-	-	-	-	-	608 252	1 639 887	249 702	1 889 589
Transactions with owners of the Company															
Reserve for financial solvency	-	-	-	-	-	-	-	(10 711)	-	-	10 711	-	-	-	-
Modification surplus of fixed assets .	-	-	-	-	-	-	-	-	-	-	6 704	-	6 704	-	6 704
General risk reserve	-	-	-	-	-	-	-	-	(131)	-	131	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(20 000)	-	(20 000)	-	(20 000)
Change in non-controlling interests without changing in control	-	(25 245)	-	21 420	-	-	-	-	-	-	232 507	-	228 682	630 524	859 206
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	2 688	2 688
Transferred to legal reserve	-	5 728	-	-	-	-	-	-	-	-	(5 728)	-	-	-	-
Payement under capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	(2 688)	(2 688)
Total Transactions with owners of the company	-	(19 517)	-	21 420	-	-	-	(10 711)	(131)	-	224 325	-	215 386	630 524	845 910
Balance at June 30, 2023	1 085 500	514 025	-	3 272 319	88 882	65 033	904 041	-	-	20 393	12 029 382	608 252	18 587 827	1 608 421	20 196 248

GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Shareholders Equity
for the financial period ended 30 June 2022

30 June 2022

(All amounts in thousand Egyptian Pound)	Share capital	Legal reserve	Treasury Bills	Foreign currency translation reserve	ESOP (Fair value) reserve	Revaluation surplus of fixed assets reserve	Share premium (Special reserve)	General risk reserve	Private risk reserve - Non banking financial service	Retained Earning	Net profit for the period	Total	Non-Controlling Interests	Total equity
	Shareholder's equity of the parent company													
Balance at December 31, 2021 Restated	1 094 010	523 961	(8 510)	1 067 263	88 882	80 435	904 041	49 472	90 399	517 752	1 460 052	5 867 757	1 640 720	7 508 477
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	1 460 052	(1 460 052)	-	-	-
Total comprehensive income														
Net profit for the period	-	-	-	-	-	-	-	-	-	-	719 864	719 864	374 011	1 093 875
Modification surplus of fixed assets after income tax (Net)	-	-	-	-	-	(7 075)	-	-	-		-	(7 075)	-	(7 075)
Other Comprehensive income items	-	-	-	360 893	-	-	-	-	-	-	-	360 893	113 283	474 176
Total comprehensive income	-	-	-	360 893	-	(7 075)	-	-	-		719 864	1 073 682	487 294	1 560 976
Transactions with owners of the Company														
Decrease capital of subsidary	-	-	-	-	-	-	-	-	-	-	-	-	(5 361)	(5 361)
Modification surplus of fixed assets	-	-	-	-	-		-	-	-	7 344	-	7 344	-	7 344
Dividends Distrbution	-	-	-	-	-	-	-	-	-	(466 610)	-	(466 610)	(69)	(466 679)
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	14 700	14 700
Transferred to legal reserve	-	23 145	-	-	-	-	-	-	-	(23 145)	-	-	-	-
Total Transactions with owners of the company	-	23 145		-	-	-				(482 412)	-	(459 267)	9 270	(449 996)
Balance at June 30, 2022	1 094 010	547 106	(8 510)	1 428 156	88 882	73 360	904 041	49 472	90 399	1 495 392	719 864	6 482 172	2 137 284	8 619 457

Translation of Consolidated financial statements
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GB Corp
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Cash Flows
for the financial Period ended 30 June 2023

(All amounts in thousand Egyptian Pound)

	Note No.	30 June 2023	30 June 2022
Net profit for the period before tax		835 433	1 501 432
Adjustments for:			
Interest expense	(7)	601 517	424 749
Depreciation and amortization for the period	(16،17,18)	317 466	203 439
Provisions movements (net)	(28)	18 256	71 051
Impairment losses on current assets (net)		55 185	(4 588)
Interest income	(7)	(162 063)	(116 577)
Gain from sale of property, plant, equipment and assets held for sale	(6)	(11 404)	(6 034)
Gain /(Loss) from investment in associate & investment liquidation		(482 530)	30 509
Unrecognized Foreign currency translation losses		304 850	415 589
		1 476 710	**2 519 570**
Changes in:			
Inventories (Net)		(1 769 294)	(605 767)
Accounts and notes receivables		(2 057 555)	(307 561)
Debtors and other debit balances		(598 995)	161 010
Due from related parties		(139 313)	(20 106)
Due to related parties		18 168	(3 717)
Payment rent for asset right of use		(32 384)	(32 834)
Proceeds from loans and borrowings		1 452 511	629 230
Trade payables and other credit balances		1 192 875	(349 907)
Cash (used in) / provided from operating activities		**(457 277)**	**1 989 918**
Provisions used		(34 158)	(18 775)
Income tax paid		(321 054)	(367 940)
Employees and members of the board of directors		(20 000)	(75 985)
Net cash (used in) / provided from operating activities		**(832 489)**	**1 527 218**
Cash flows from investing activities			
Payment for acquisition of property, plant, equipment and projects under constructions		(919 457)	(552 408)
Pay to buy non controlling interest		(7 000)	-
Proceeds from sale of shares from subsidaries		1 032 134	-
Payment for acquisition of intangible assets		(6 595)	-
Interest income received		89 687	41 535
Payment under investment		-	(25 445)
Net investments in associates		-	(80 921)
Proceeds from sale of property, plant, equipment and assets held for sale		69 381	14 334
Net cash Provided from / (used in) investing activities		**258 150**	**(602 905)**
Cash flows from financing activities			
Bonds		(178 461)	700 000
Dividends paid -minority equity		-	(69)
Dividends paid		-	(108 550)
Proceeds from loans and borrowings		909 608	(291 764)
Decrease capital of subsidary		-	(5 361)
Long-Term notes payable		(137 752)	(438 814)
Interest expense paid		(665 479)	(466 292)
Net cash (used in) financing activities		**(72 084)**	**(610 850)**
Net Increase in cash and cash equivalents		**(646 423)**	**313 463**
Cash and cash equivalents at the beginning of the period		4 098 184	1 935 644
Effect of movements in exchange rates on cash and cash equivalents		450 154	134 336
Cash and cash equivalents at end of the period	(15)	**3 901 915**	**2 383 443**

* The accompanying notes form an integral part of these consolidated interim financial statements, and to be read therewith.

1- Background of the Group

GB Corp S.A.E is an Egyptian joint stock Company incorporated on July 15,1999 under the name of GB Capital for Trading and Capital Lease and under Law No. 159 of 1981, and was registered in the commercial register under No. 3422, Cairo.

Based on the decision of the Extraordinary General Assembly Meeting held on April 26, 2007, it has been agreed to change the Company's name to be GB Auto. This amendment was registered in the commercial register on May 23, 2007.

Based on the decision of the Extraordinary General Assembly Meeting held on March 26, 2023, it has been agreed to change the Company's name to be GB Corp S.A.E This amendment was registered in the commercial register on May 7, 2023.

The Company is domiciled in the Industrial Zone – Abou Rawash Kilo meter 28 Cairo – Alexandria Desert Road, Arab Republic of Egypt.

The Company and its subsidiaries (will be referred to as "the Group") main activities include trading, distributing and marketing of all transportation means including heavy trucks, semi-trucks, passenger cars, buses, mini buses, micro buses, agriculture tractors, pick-ups, mechanical tools equipment for sail movement and motors with their different structures and types whether locally manufactured and imported new and used ones and trading in spare parts, accessories whether locally manufactured or imported and tires for vehicles and equipment whether locally manufactured or imported. The Group also undertakes import and export activities, selling locally manufactured and imported products for cash, on credit or through finance leasing and microfinance. Also trade in all goods including light truck and sale by instalments and provide services of factoring and nonbanking financial services. The factoring services intended to buy existing and future rights of sellers of goods and services and provide related services.

The major shareholder's of the Company are the family of Dr. Raouf Ghabbour who collectively owns approximately 63.38% of the Company's shares as at June 30, 2023.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on August 14, 2023.

2- Basis of preparation of consolidated financial statements

The consolidated interim financial statements have been prepared in accordance with an updated Egyptian Accounting Standards (EAS) and the related Egyptian laws and regulations.

3- Functional and presentation currency

The consolidated financial statements are presented in Egyptian Pounds which is the Group's functional currency.

4- Use of judgement and estimates

- In preparing the consolidated financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.

- The recognition of the change in accounting estimates in the period in which the change in estimate, if the change affects only that period, or in the period of change and future periods if the change affects both.

A- Measurement of fair value

- The fair value of financial instruments determines based on the market value of a financial instrument or similar financial instruments at the date of the financial statements without deducting any estimate future costs of sale. The financial asset values determine at current prices for the purchase of those assets, while determining the value of financial liabilities at current prices, which could be settled by those commitments.

- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the transactions price that has recently or be guided by the current fair value of other instruments which is substantially similar. Or the use of discounted cash flow or any other evaluating method that leads to results can rely on it.

- When using the discounted cash flow method as a way for the evaluation, the future cash flows are estimated based on the best estimates of management. And determined the discount rate used in the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

5- Operating Segments

- The Group has the following four operational segments, which are its reportable segments to top management. These segments offer different products and services and are managed separately because they require different technology and marketing strategies.
- The following summery describes the operations for each reportable segment:

Reportable segment	Operations
Passenger car	Trading, distributing and marketing for all kinds of passenger cars, whether locally manufactured or imported.
Buses and trucks	Trading, distributing and marketing for all kinds of heavy trucks, semi-trucks, buses, mini buses, micro buses, agriculture tractors, whether locally manufactured or imported.
2 & 3 Wheels	Trading, distributing and marketing for all kinds of 2 & 3 Wheels, whether locally manufactured or imported.
Financial Services non-Banking	Providing services of factoring and financial services non-banking. The factoring services intended to buy existing and future rights of sellers of goods and services and provide related services and selling the locally and imported goods and products by cash or post-paid financial leasing, small financing entities in all kinds of goods and trading such as light transportation and selling it by installments.
Other Operations	Trading spare parts, and its accessories whether locally manufactured or imported, tires for vehicles and equipment whether locally manufactured or imported and exported.

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5-OperatingSegments(Continued)

A-Total Revenue
1-Perecentage of total Revenue by sectors

	June 30, 2023	June 30, 2022
Passenger car	54.51%	45.48%
Buses and trucks	6.46%	5.36%
2 & 3 Wheels	8.29%	15.18%
Financial Services non-Banking	17.19%	23.80%
Other Operations	13.55%	10.18%
	100%	100%

2-Percentage of revenues from foreign operations out of total revenues

	June 30, 2023	June 30, 2022
Passenger car	38.10%	12.83%
2 & 3 Wheels	62.42%	48.67%

B- Segments results

	June 30, 2023	June 30, 2022
Passenger car	53.07%	25.79%
Buses and trucks	6.59%	0.09%
2 & 3 Wheels	7.71%	13.15%
Financial Services non-Banking	16.36%	52.26%
Other Operations	16.27%	8.71%
	100%	100%

C-Assets

	June 30, 2023	June 30, 2022
Passenger car	10.8%	8.5%
Buses and trucks	16.3%	12.0%
2 & 3 Wheels	9.1%	8.0%
Financial Services non-Banking	38.1%	53.0%
Other Operations	25.7%	18.5%
	100%	100%

D- Liabilities

	June 30, 2023	June 30, 2022
Passenger car	30.5%	21.1%
Buses and trucks	21.0%	19.4%
2 & 3 Wheels	1.9%	1.3%
Financial Services non-Banking	36.1%	53.5%
Other Operations	10.5%	4.7%
	100%	100%

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5-OperatingSegments (Continued)

E-Reconciliations of information on reportable segments to financial statements according to EASs

	June 30, 2023	June 30, 2022
Revenues		
Total revenues for operating segments	11 802 533	17 073 897
Elimination of revenue between group inter-segment	(1 051 151)	(1 398 049)
Consolidated Revenue	**10 751 382**	**15 675 848**
Segments result		
Gross profit for operating segment	2 410 801	4 028 177
Elimination of gross profit between group inter-segment	(24 381)	(17 417)
Consolidated Gross Profit	**2 386 420**	**4 010 760**
Assets		
Total assets for operating segments	72 397 581	58 437 368
Elimination of assets between group inter-segment	(31 978 673)	(24 766 025)
Total Consolidated Assets	**40 418 908**	**33 671 343**
Liabilities		
Total Liabilities for operating segments	36 398 624	37 821 581
Elimination of Liabilities between group inter-segment	(16 175 964)	(12 769 694)
Total Consolidated Liabilities	**20 222 660**	**25 051 887**

F-Other martial amounts

	Total reportable segment	Adjustments	Total consolidated June 30, 2023
Finance income	162 063	-	**162 063**
Interest expense and Bank Charges	(615 041)	13 524	**(601 517)**
Capital expenditure	(926 052)	-	**(926 052)**
Depreciation and Amortization	317 466	-	**317 466**

	Total reportable segment	Adjustments	Total consolidated June 30, 2022
Finance income	116 577	-	**116 577**
Interest expense and Bank Charges	(431 805)	7 056	**(424 749)**
Capital expenditure	(552 408)	-	**(552 408)**
Depreciation and Amortization	203 439	-	**203 439**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5- Operating segments (continued)

B- Operations results

	Passenger cars		Commercial vehicles		Two and three Wheelers		Financial Services Non Banking		Other operations		Total	
	June 30, 2023	June 30,2022	June 30, 2023	June 30,2022	June 30, 2023	June 30,2022	June 30, 2023	June 30,2022	June 30, 2023	June 30,2022	June 30, 2023	June 30,2022
Operating revenue	5 861 133	7 129 824	694 639	840 041	890 929	2 610 398	1 848 171	3 730 193	1 456 510	1 365 392	10 751 382	15 675 848
Gross profit	1 266 612	1 025 913	157 200	98 663	184 077	523 104	390 371	2 162 728	388 160	200 352	2 386 420	4 010 760
Marketing and Selling expenses											(489 853)	(1 104 364)
General and administrative expenses											(919 784)	(946 468)
Provisions and Impairment of Current and Non-Current assets (Net)											(67 171)	(51 445)
Other income											140 801	156 232
Operating results											1 050 413	2 064 715
Gain /(Loss) from investment in associate & investment liquidation											482 530	(30 509)
Finance cost (Net)											(697 510)	(532 774)
Net profit for the period before income tax											835 433	1 501 432
Income tax expense											(182 794)	(407 557)
Net profit for the period after income tax											652 639	1 093 875
Attributable to:												
Equity holders of the Company											608 252	719 864
Non-controlling interests											44 387	374 011
											652 639	1 093 875

6- Other Income

	June 30, 2023	June 30, 2022
Gain on sale of fixed asset	11 404	6 034
Scrap Sales	27 942	30 757
Commission for reissuance loans	-	17 790
Other revenues	97 897	88 940
Cash incentive revenue	2 209	1 785
Rent income	1 349	10 926
Total	140 801	156 232

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

7-Finance Costs (Net)

	June 30, 2023	June 30, 2022
Interest income	153 180	106 095
Interest income on installment sales	8 883	10 482
Total Finance Income	**162 063**	**116 577**
Interest expense and bank charges	(601 517)	(424 749)
Foreign exchange loss	(258 056)	(224 602)
Total Finance Cost	**(859 573)**	**(649 351)**
Net Finance Cost	**(697 510)**	**(532 774)**

8-Provisions and Impairment of Current and Non-Current assets

Provisions no longer required	June 30, 2023	June 30, 2022
Warranty provision	5 784	3 210
Expected credit loss for accounts and notes receivables	44 244	14 819
Expected credit loss for debtors and other debit balances	-	1 277
Expected credit loss for due from related parties	9 709	-
Other Provisions	6 483	8 900
Expected credit loss for Cash and cash equivalents	-	314
Total provisions no longer required	**66 220**	**28 520**
Provisions formed		
Warranty provision	(11 667)	(20 220)
Impairment of accounts and notes receivable	(91 386)	(20 035)
Impairment of due from related parties	(19 455)	-
Impairment of debtors and other debit balances	(2 109)	(3 981)
Other provisions	(8 774)	(35 729)
Total provisions formed	**(133 391)**	**(79 965)**
Net provisions in the income statement	**(67 171)**	**(51 445)**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

	Balance at 1/1/2023	Impairment during the period	Disposal During the period	Reversal of Impairment during the period	Effect of movements of exchange rates	Balance at 30/06/2023
Expected credit loss for Accounts & Notes receivable	366 775	91 386	-	(44 244)	12 768	426 685
Expected credit loss for due from related parties	64 623	19 455	-	(9 709)	-	74 369
Expected credit loss for Debtors & Other debit balances	77 400	2 109	-	-	-	79 509
forCash and cash equivalent	101	54	-	-	-	155
	508 899	**113 004**	-	**(53 953)**	**12 768**	**580 718**
* Impairment of Inventory	72 103	931	-	(4 797)	-	68 237
	581 002	**113 935**	-	**(58 750)**	**12 768**	**648 955**

*The formation and reversal of inventory impairment are charged in cost of revenue at income statement.

9-Earnings per share

Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares issued during the period.

	June 30, 2023	June 30, 2022
Net profit for the period attributable to the shareholders	608 252	719 864
Weighted average number of ordinary shares issued	1 085 500	1 089 304
Basic profit earnings per share/ EGP	0.560	0.661

10-Income tax
A-Income tax liabilities

	June 30, 2023	December 31, 2022
Balance at 1 January	324 089	351 279
Taxes paid during the period / year	(321 054)	(729 999)
Current income tax during the period / year (Note 10-C)	226 621	702 809
Balance at the end of the period / year	**229 656**	**324 089**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

10-Income tax (Continued)

B-Defered tax Asset and Liability	Note No.	Fixed Assets	Carried forward losses	Impairment of Inventory	Warranty Provision	Revaluation surplus of fixed assets*	Notes payable	Capital Gains	Total 30-Jun-23	Total 31-Dec-22
Deferred tax assets										
Balance at 1 January		11	155 295	3 349	35 709	-	63 405	-	257 769	331 341
Charged to the income statement		-	66 040	497	(5 623)	-	(23 536)	-	37 378	(73 572)
Balance at the end of the period / year		11	221 335	3 846	30 086	-	39 869	-	295 147	257 769
Deferred tax liabilities										
Balance at 1 January		(306 512)	-	-	-	(6 377)	-	(18 726)	(331 615)	(348 657)
Charged to the income statement		(1 877)	-	-	-	-	-	8 326	6 449	14 059
Charged to Statement of comprehensive income		-	-	-	-	1 820	-	-	1 820	2 983
Balance at the end of the period / year		(308 389)	-	-	-	(4 557)	-	(10 400)	(323 346)	(331 615)
Net Balance at the end of the period / year		(308 378)	221 335	3 846	30 086	(4 557)	39 869	(10 400)	(28 199)	(73 846)
Net										
Balance at 1 January		(306 501)	155 295	3 349	35 709	(6 377)	63 405	(18 726)	(73 846)	(17 316)
Charged to the income statement	(10-C)	(1 877)	66 040	497	(5 623)	-	(23 536)	8 326	43 827	(59 513)
Charged to Statement of comprehensive income		-	-	-	-	1 820	-	-	1 820	2 983
Balance at the end of the period / year		(308 378)	221 335	3 846	30 086	(4 557)	39 869	(10 400)	(28 199)	(73 846)

* The deferred tax charge for revaluation surplus of fixed assets has been deducted in the consolidated interim statement of comprehensive income

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

10-Income tax (Continued)

B-Deferred tax assets and liabilities (Continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the group can use the benefits therefrom.

	June 30, 2023	December 31, 2022
Expected credit loss for accounts and notes receivables	96 004	82 524
Expected credit loss for other debit balances	17 890	17 415
Unrecognized Foreign currency translation losses	111 678	100 799

Liability for temporary differences related to investments in subsidiaries, associates and joint venture was not recognized because the group controls the timing of reversal of the related temporary differences and satisfied that they will not reverse in the foreseeable future.

C-Income tax expense

	June 30, 2023	June 30, 2022
Current income tax (Note 10-A)	(226 621)	(284 338)
Deferred tax expenses – (Note 10-B)	43 827	(123 219)
Income tax for the period	**(182 794)**	**(407 557)**

D-Amounts recognized in OCI

	June 30, 2023			June 30, 2022		
	Before Tax	Taxes	After Tax	Before Tax	Taxes	After Tax
Foreign Currency translation difference	1 241 754	-	1 241 754	474 176	-	474 176
Modification surplus of fixed assets cost	(6 704)	1 900	(4 804)	(7 344)	269	(7 075)
	1 235 050	1 900	1 236 950	466 832	269	467 101

11-Inventories

	June 30, 2023	December 31, 2022
Goods in transit	652 604	561 352
Cars, buses and trucks	2 681 292	1 681 277
Raw material and car components	1 136 176	791 597
Spare parts for sale	921 944	681 779
Work in progress	227 388	171 001
Tires	137 514	102 806
Oils	4 523	2 335
Total	**5 761 441**	**3 992 147**
* Impairment of inventory	(68 237)	(72 103)
Net	**5 693 204**	**3 920 044**

* **The formation and reversal of inventory impairment are charged in cost of revenue at income statement.**

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

12-Long term notes receivables

	June 30, 2023	December 31, 2022
Long-term notes receivable	5 317 025	3 488 544
Interest income on installment sales	(716 743)	(431 255)
Net present value for long-term notes receivable	**4 600 282**	**3 057 289**
Expected credit loss long-term notes receivable	(102 559)	(83 546)
Net	**4 497 723**	**2 973 743**

13-Accounts and notes receivables

	June 30, 2023	December 31, 2022
Total notes receivable	3 263 841	2 675 735
Long-term notes receivable Unamortized interest	(716 743)	(431 255)
Net present value for short-term notes receivable	**2 547 098**	**2 244 480**
Trade receivable	1 417 248	1 099 328
Total	**3 964 346**	**3 343 808**
Expected credit loss for accounts and notes receivable balances	(324 126)	(283 229)
Net	**3 640 220**	**3 060 579**

The following table represents the Expected credit loss of account and notes receivables according to the expected losses model on June 30, 2023:

1-Non Banking -Financial Services

	Stage 1: Expected credit losses over 12 months	Stage 2: Lifetime ECL is not credit impaired	Stage 3: Life Expected Credit Losses with impaired credit	Total
Account & notes recivables	6 124 240	367 533	367 173	**6 858 946**
Adjust:				
Impairment of accounts and notes receivable balances	(133 410)	(24 658)	(98 054)	**(256 122)**
	5 990 830	342 875	269 119	**6 602 824**

2- The sector of passenger and transport vehicles, buses, two- and three-wheelers vehicles and other operations

	The Balance	The percentage of expected losses	Decrease in the balance of account & notes receivables	Net
Notes Receivable	325 661	31%	(100 944)	**224 717**
Trade receivables	1 142 092	4%	(41 658)	**1 100 434**
From 1 to 30	58 098	1%	(482)	**57 616**
From 31 to 60	72 726	7%	(5 125)	**67 601**
From 61 to 90	11 360	3%	(362)	**10 998**
From 91 to 120	14 065	8%	(1 173)	**12 892**
More than 120	81 680	25%	(20 819)	**60 861**
Total	1 705 682		(170 563)	1 535 119

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

14-Debtors and other debit balances
A-Long term debtors and other debit balance

	June 30, 2023	December 31, 2022
Debt securitization Companies	1 049 547	398 886
	1 049 547	**398 886**

B-Debtors and other debit balances

	June 30, 2023	December 31, 2022
Advance payments to suppliers	880 388	764 608
Withholding tax	459 454	575 580
Value added tax	44 790	47 714
Accrued interest	72 376	44 948
Accrued revenue	60 121	6 040
Letters of credit	1 391 515	1 070 366
Prepaid expenses	179 351	78 339
Security deposits with others	14 311	24 998
Letters of guarantee margin	174 759	332 354
Staff loans and custodies	84 885	33 493
Other debit balances	272 585	420 793
Customs duties	3 452	1 452
Total	**3 637 987**	**3 400 685**
Impairment of debtor and other debit balances	(79 509)	(77 400)
Net	**3 558 478**	**3 323 285**

15-Cash and cash equivalents

	June 30, 2023	December 31, 2022
Time deposits	190 876	145 745
Current accounts	3 573 567	3 852 593
Checks under collections	89 677	74 990
Treasury bills	47 795	24 856
Cash and Cash equivalents According to cash flow	**3 901 915**	**4 098 184**
Impairment of Cash and cash equivilant	**(155)**	**(101)**
Net	**3 901 760**	**4 098 083**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

16 - Property, plant, equipments and projects under construction

	Land and Buildings	Machinery & equipment	Vehicles	Computers	Fixtures & furniture	Leasehold improvements	* Projects under construction	Total
Cost								
Cost at 1 January 2022	2 659 561	1 077 846	706 108	285 110	1 108 461	110 183	333 497	**6 280 766**
Additions during the year	176 925	22 770	171 654	15 528	26 079	4 391	522 022	**939 369**
Transferred from projects under construction to PP&E and intangible assets	-	26 858	-	37	39 937	5731 -	(48 774)	**23 789**
Disposals during the year	(2 601)	(77 979)	(106 882)	(106 007)	(130 361)	(603)	(27 119)	**(451 552)**
Effect of cost modification using modification factor	-	-	(884)	-4809 -	(231)	-	-	**(5 924)**
Effect of movements of exchange rates	246 773	26 477	18 779	7 745	72 023	8 315	-	**380 112**
Balance at 31 December 2022	**3 080 658**	**1 075 972**	**788 775**	**197 604**	**1 115 908**	**128 017**	**779 626**	**7 166 559**
Cost at 1 January 2023	3 080 658	1 075 972	788 775	197 604	1 115 908	128 017	779 626	**7 166 559**
Additions during the period	83 861	14 602	57 888	4 577	6 998	3 239	366 049	**537 214**
Transferred from projects under construction to PP&E and intangible assets	20 831	5 977	-	-	45 435	-	(72 243)	-
Disposals during the period	-	(4 284)	(34 982)	(18)	(7 586)	-	-	**(46 870)**
Effect of movements of exchange rates	167 749	19 041	13 139	5 473	51 790	5 962	-	**263 154**
Balance at 30 June 2023	**3 353 099**	**1 111 308**	**824 820**	**207 636**	**1 212 545**	**137 218**	**1 073 432**	**7 920 058**
Accumulated depreciation and impairment losses								
Accumulated depreciation at 1 January 2022	347 194	646 565	262 131	211 318	500 214	47 368	13 278	**2 028 068**
Depreciation during the year	35 351	65 753	74 456	19 644	86 188	16 617	-	**298 009**
Disposals during the year	(7 773)	(26 640)	(55 279)	(50 892)	(45 779)	(30 658)	-	**(217 021)**
Effect of accumulated depreciation modification using modification factor	-	(9 343)	(691)	(23)	(1 229)	-	-	**(11 286)**
Effect of movements of exchange rates	53 401	15 686	3 551	5 943	38 507	6 527	-	**123 615**
Accumulated depreciation at 31 December 2022	**428 173**	**692 021**	**284 168**	**185 990**	**577 901**	**39 854**	**13 278**	**2 221 385**
Accumulated depreciation at 1 January 2023	428 173	692 021	284 168	185 990	577 901	39 854	13 278	**2 221 385**
Depreciation during the period	22 588	35 521	49 534	8 712	46 818	6 836	-	**170 009**
Disposals during the period	-	(2 498)	(19 712)	(12)	(5 275)	-	-	**(27 497)**
Effect of accumulated depreciation modification using modification factor	-	(1 117)	(1 128)	-	(1 756)	-	-	**(4 001)**
Effect of movements of exchange rates	37 694	11 389	(3 163)	4 344	28 136	5 441	-	**83 841**
Accumulated depreciation at 30 June 2023	**488 455**	**735 316**	**309 699**	**199 034**	**645 824**	**52 131**	**13 278**	**2 443 737**
Net carrying Amount								
At 1 January 2022	**2 312 368**	**431 280**	**443 978**	**73 792**	**608 247**	**62 815**	**320 219**	**4 252 697**
At 31 December 2022	**2 652 485**	**383 951**	**504 607**	**11 614**	**538 007**	**88 163**	**766 348**	**4 945 174**
At 30 June 2023	**2 864 644**	**375 992**	**515 121**	**8 602**	**566 721**	**85 087**	**1 060 154**	**5 476 321**

* Projects under construction represented in the cost of buildings, factories expansions and showrooms, which are being prepared and fixed for the group use

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial Period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

17- Asset Right Of Use

	Land & building	Total
Cost		
Balance at January 1, 2022	537 049	537 049
Addition during the year	151 703	151 703
Disposals During the year	(118 659)	(118 659)
Effect of exchange rates	63 383	63 383
Balance at December 31, 2022	**633 476**	**633 476**
Balance at January 1, 2023	633 476	633 476
Asset right of use during the period	59 434	59 434
Disposals during the period	(26 323)	(26 323)
Effect of exchange rates	59 654	59 654
Balance at June 30,2023	**726 241**	**726 241**
Accumulated depreciation at January 1, 2022	96 716	96 716
Depreciation during the year	115 344	115 344
Disposals during the year	(21 709)	(21 709)
Effect of exchange rates	11 590	11 590
Balance at December 31, 2022	**201 941**	**201 941**
Accumulated depreciation at January 1, 2023	201 941	201 941
Depreciation during the period	54 785	54 785
Disposals during the period	(8 331)	(8 331)
Effect of exchange rates	24 547	24 547
Accumulated depreciation at June 30, 2023	**272 942**	**272 942**
Net Book value at June 30, 2023	**453 299**	**453 299**
Net Book value at December 31, 2022	**431 535**	**431 535**

The right of use is represented in renting warehouses and showrooms, which are used in the activities of the group companies.

GB Corp (S.A.E)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

18- Intangible assets and goodwill

	Goodwill	Computer software	Knowhow	Right to use trademark	Total
Cost					
Balance at 1 January	252 780	70 748	5 703	177 375	506 606
Additions during the period	-	6 595	-	-	6 595
Balance at June 30, 2023	252 780	77 343	5 703	177 375	513 201
Accumulated amortization					
Balance at 1 January	-	50 938	5 703	88 688	145 329
Amortization during the period	-	5 874	-	2 956	8 830
Balance at June 30, 2023	-	56 812	5 703	91 644	154 159
Net Book value at June 30, 2023	252 780	20 531	-	85 731	359 042
Net Book value at December 31, 2022	252 780	19 810	-	88 687	361 277

Goodwill

On September 8, 2008, GB Corp (GB Auto Previously) fully acquired the shares of GB for financial lease (S.A.E) which its business is financial leasing with all its dated, and the acquisition resulted in goodwill amounted to EGP 1 million.

During November 2010, the Group entered into 50% investment as a joint venture agreement in Almajmoa Alalamia Litijaret Alsaiarat (GK), in Jordan, to acquire the existing business of Hyundai Vehicles Agency in Iraq, the joint venture agreement gives the group the power to govern the financial and operating policies of (GK) and as a result of this investment the group recognized a goodwill with an Amount 249 EGP. During 30 september 2021 increased its stake in The International Group For Cars Trading Company (GK) from 50% to 83.33% .

On October 26, 2017 GB Corp (GB Auto Previously) fully acquired the shares of Egyptian International Maintenance and cars Manufacturing Company EIAC (SAE), and the acquisition resulted in goodwill amounted EGP 2.8 million.

Goodwill is allocated to the Group's cash generating units according to operating segments as presented below:

	June 30, 2023	December 31, 2022
Iraq sales	248 910	248 910
Financial leasing activity	1 000	1 000
After Sale service- PC	2 870	2 870
	252 780	252 780

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

18-Intangible assets and goodwill (Continued)

The Company assesses annually the impairment of goodwill at December 31, to ensure whether the carrying amount of the goodwill is fully recoverable, unless there are indicators required to test the impairment through the year.

Impairment of goodwill is assessed based on value in use, which is determined using the expected discounted cash flows based on estimated business plan approved by the Board of Directors covering five years' period. The management is preparing these estimated business plan based on the financial, operating and market performance in the previous years and its expectations for the market development.

Right to use trademark

On June 28, 2007, GB Corp (GB Auto Previously) fully acquired the shares of Cairo Company for Personal Transportation Industries (City) by purchasing 49.03%, which was owned by the minority, at a value of 210 million Egyptian pounds, in return for obtaining shares from the issuance of shares to increase the capital of the company. GB Corp.(GB Auto Previously) Based on this acquisition, the company obtained the right to use the trademark of one of the company's main suppliers related to the activity of the 2&3 wheleers Sector, at an amount of 177 million Egyptian pounds on the date of acquisition.

19-Investments property

	June 30, 2023	December 31, 2022
Balance at 1 January	90 905	90 905
Balance at the end of the period	90 905	90 905

The fair value of investment property which is represented in the fair value of the land held on December 31 ,2022 amounted to 226 million egyption pounds according to a prepared by an independent a real estate office.

20-Issued and paid in capital

	June 30, 2023	December 31, 2022
Authorized capital (5 000 000 000 shares with par value EGP 1 each)	5 000 000	5 000 000
Issued and paid capital (1 085 500 000 shares with par value of EGP 1 each)	**1 085 500**	**1 085 500**

On August 31, 2014, the Board of Directors according to the delegation of the extra ordinary assembly meeting held on June 27, 2013, has decided unanimously to increase the Company's issued capital with the par value in the limit of the authorized capital with an amount of EGP 6 444 645 divided on 6 444 645 shares with a par value of 1 EGP /share, wholly allocated to ESOP system which is applied by the Company, resulted in an issued capital of EGP 135 337 545 after the increase divided on 135 337 545 shares with a par value of 1 EGP/share, and this increase financially fully paid from the special reserve balance and annotated in the commercial register at December 31, 2014.

Private placement (Capital Increase)

At the date of February 4, 2015, the extra ordinary general assembly meeting, has agreed to increase the Company's authorized capital from 400 million EGP to 5 billion EGP and to increase the Company's issued capital from EGP 135 337 545 to be EGP 1 095 337 545 with an increase of EGP 960 000 000 to be divided on 1 095 337 545 shares with a par value of 1 EGP each. (In additional to issuance cost of 1 pts./share), and that increase to be fully allocated for the favor of old shareholders each according to their share in the Company's issued capital , and it is agreed to use the subscription right separately from the original share, with the Company's issued capital increase to be paid either cash and/or using due cash debts for the subscriber by the Company according to their contribution share.

The subscription was covered by an amount of EGP 958 672 188 (EGP 473 225 502 in Cash and EGP 485 446 686 covered through the outstanding balances due to shareholders) divided on 958 672 188 shares with a par value of 1 EGP each to be the total capital issued and fully paid after the increase equals to EGP 1 094 009 733, it has been annotated in the commercial register at May 31, 2015.

The Extraordinary General Assembly unanimously agreed on June 5, 2022 to destroy the company's treasury shares amounting to 8,509,733 shares and to reduce the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction becomes 1,085,500,000 Egyptian pounds, and it was approved by the General Authority for Investment on 3/8/2022 It was noted in the Commercial Register on August 15, 2022.

Misr for Central Clearing Depsitory & Registry accepted the implementation of the capital reduction decision on October 26, 2022.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

21-Treasury Bills

On March 1, 2020, the Board of Directors of the company decided to purchase treasury shares with an amount of 10 000 000 shares of the company, which represents 0.914% of the total shares of the company, through the open market, and that implementation be carried out from the session of March 2, 2020 and Until April 2, 2020, or until the full amount is executed, with the same price of the security during trading sessions in the execution period in light of the amendment issued in Article (51) bis of the registration rules issued by the Board of Directors of the Financial Supervisory Authority No. 27 of 2020 on February 29, 2020 And that works in it as of the date of its issuance, as well as the statement posted on the announcement screens on the Egyptian Stock Exchange on March 1, 2020 regarding the exceptional procedures for companies whose securities are listed on the stock exchange wishing to purchase treasury shares.

During the period from March 3,2020 to March 18, 2020 ,The company has purchased 10 million shares with a total value of 19.570 million Egyptian pounds. The amount of 10 million pounds has been recorded as treasury shares representing the nominal value of the share. The difference between the purchase cost and the nominal value of the amount of 9.570 million Egyptian pounds has been recorded in the other reserves (Note 23).

During the year of 2020, the company sold 2 million shares with a total value of 6 750 Thousand Egyptian pounds, resulting in a reduction of 2 million Egyptian pounds. This represents the nominal value of the share, and the difference between the sale value and the nominal value of 4 750 thousand Egyptian pounds was recorded within the other reserves .

During the period from January 1, 2021 to March 31, 2021, the company sold 8 million shares with a total value of 30 232 thousand Egyptian pounds, resulting in a reduction of 8 million Egyptian pounds. This represents the nominal value of the share and the difference between the sale value and the face value of 22,232 Thousand Egyptian pounds among other reserves (Note 23)

During the period from November 28, 2021 to December 21, 2021The company has purchased 8 509 733 shares with a total value of 38 681 thousand Egyptian pounds. The amount of 8 510 Thousand Egyptian pounds has been recorded as treasury shares representing the nominal value of the share. The difference between the purchase cost and the nominal value of the amount of 30 172 thousand Egyptian pounds has been recorded in the other reserves (Note 23).

On June 5, 2022 the Extraordinary General Assembly unanimously approved the execution of the company's treasury shares, amounting to 8,509,733 shares, and the reduction of the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction became 1 085 500 000 Egyptian pounds, and it was approved by the General Authority for investment on August 3, 2022.and noted in commercial register on 15 August 2022 .

22-Legal reserve

	June 30, 2023	December 31, 2022
Balance at 1 January	533 542	523 961
Transferred to legal reserve	5 728	9 581
Change of non controlling interest without change in control	(25 245)	-
Balance at the end of the period	**514 025**	**533 542**

In accordance with the Companies Law No 159 of 1981 and the Company's articles of association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the board, the Company may stop such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

The legal reserve includes an amount of EGP 66 762 thousand related to the Company, the rest of the balance represents the legal reserve of the Group's Companies

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

23-Other reserves

	Foreign currency translation reserve	ESOP (Fair value) reserve	Surplus Revaluation of fixed assets reserve	Share premium (special reserves)	Total
Balance as at January 1, 2023	2 214 460	88 882	69 837	904 041	3 277 220
Foreign currency differences	1 057 859	-	-	-	1 057 859
Modification surplus of fixed assets cost	-	-	(4 804)	-	(4 804)
Balance at June 30, 2023	3 272 319	88 882	65 033	904 041	4 330 275

Share premium

The share premium represented in the difference between the amount paid and par value for issued shares and issuance cost is deducted from it. The share premium was transferred to both legal reserve and special reserve according to Law No. 159 of 1981.

	June 30, 2023	December 31, 2022
Share premium	904 041	904 041

The special reserve represented in the transferred amount from the net share premium in 2007 less the amount transferred to the legal reserve (Note 22).

During 2011, the special reserve was reduced by an amount of EGP 2 990 thousand which represents the difference between treasury shares purchasing cost amounted to EGP 3 097 thousand and the par value of these shares amounted to EGP 107 thousand which was written off during 2012.

During 2012, the special reserve was reduced by an amount of EGP 2 114 thousand which represents the differences between treasury shares purchasing cost amounted to EGP 6 365 thousand and its reselling price amounted to EGP 4 251 thousand.

The share premium was reduced by an amount of 9 570 thousand EGP ,which represent the difference between cost of purchasing treasury shares during the year 2020 with an amount of 19 570 thousand EGP and the par value of shares of 10 milion EGP.

The share premium has also been increased by an amount of 4,750,000 Egyptian pounds, representing the difference between the sale price of treasury shares during the year 2020 by an amount of 6,750,000 Egyptian pounds and the nominal value of the shares of 2 million Egyptian pounds.

24-Non-controlling Interest

	Capital	Payment Under capital increase	Reserves	Legal reserve	Private risk reserve - Non banking	General risk reserve	Retained earnings	Total June 30, 2023	Total December 31, 2022
Balance at 1 January	314 141	2 688	571 559	45 861	-	-	(206 054)	728 195	1 640 720
Net profit for the year	-	-	-	-	-	-	44 387	44 387	553 140
Foreign currency translation results	-	-	205 315	-	-	-	-	205 315	281 842
Capital increase	2 688	(2 688)	-	-	-	-	-	-	15 200
Capital Decrease	-	-	-	-	-	-	-	-	(5 361)
Change in Non-controlling interests	247 955	-	(21 420)	25 244			378 745	630 524	17 966
Change in Non-controlling interests with change in control	-	-	-	-	-	-	-	-	(1 190 916)
Disposal Net profit for the period of the non controlling interest until the date of loss of control	-	-	-	-	-	-	-	-	(433 889)
Dividends	-	-	-	-	-	-	-	-	(150 507)
Balance at the end of the period	564 784	-	755 454	71 105	-	-	217 078	1 608 421	728 195

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

25-Capital Management

The group's management aims to manage capital to maintain the group's ability to continue in a way that achieves a return for shareholders and provides benefits to other stakeholders that use the financial statements. Providing and maintaining the best capital structure for the purpose of reducing the cost of capital. To maintain the best capital structure, management changes the value of dividends paid to shareholders, reduces capital, or issues new shares for the group's capital.

The Group's management monitors the capital structure using the ratio of net loans to total capital. Net loans are the total of loans, advances and notes payable minus cash. The total capital represents the company's total equity as shown in the consolidated balance sheet, in addition to net loans.

The gearing ratio at June 30, 2023 and December 31, 2022 restated were as follows:

	June 30, 2023	December 31, 2022
Loans, borrowings and overdrafts	11 336 056	8 980 544
Short-term notes payable - suppliers	379 946	330 992
Total loans and notes payables	**11 716 002**	**9 311 536**
Less: Cash and cash equivalent	(3 901 760)	(4 098 083)
Letters of credit	(1 391 515)	(1 070 366)
Letters of guarantee	(174 759)	(332 354)
Net debt	**6 247 968**	**3 810 733**
Shareholders' equity	18 587 827	16 732 554
Net debt to equity ratio	**0.34**	**0.23**

26-Loans, borrowings and overdrafts

	June 30, 2023			December 31, 2022		
	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Banks overdraft	5 294 771	-	5 294 771	4 376 303	-	4 376 303
Loans	1 587 094	4 454 191	6 041 285	1 663 928	2 940 313	4 604 241
Total	**6 881 865**	**4 454 191**	**11 336 056**	**6 040 231**	**2 940 313**	**8 980 544**

A.Banks overdraft

	June 30, 2023	December 31, 2022
Less than one year	5 294 771	4 376 303
	5 294 771	**4 376 303**

B.Loans

The group (the non-banking financial services sector) obtained medium and long-term bank loans for the purpose of financing car sales contracts and operational and financial lease contracts. The repayment period for these loans reached 5 years for each operation financed by guaranteeing the financial rights of the contracts concluded and arising from those contracts towards the clients of the group companies

	June 30, 2023	December 31, 2022
Less than one year	1 587 094	1 663 928
More than one year and less than five years	4 454 191	2 940 313
	6 041 285	4 604 241

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

27-Trade payables and other credit balances

	June 30, 2023	December 31, 2022
Trade payables	3 411 249	2 855 987
Other credit balances	847 888	443 745
Advances from customers	432 154	282 774
Tax Authority	18 765	14 625
Value added tax	95 876	82 588
Accrued expenses	986 820	1 095 372
Accrued interest exoense	63 962	52 785
Deposits from others	86 009	58 681
Notes payables	379 946	330 992
Right of use liability	614 581	580 374
Dividends payable	868	7 948
Deferred revenues	67 139	6 511
	7 005 257	5 812 382

28-Provisions

	Legal Claims	Warranty Provision	Other Provisions	Total
Balance at January 1, 2023	62 931	108 536	188 783	360 250
Provisions formed during the period	-	11 667	53 367	65 034
Provisions utilized during the period	-	(4 140)	(30 018)	(34 158)
Provisions no longer required	-	(5 784)	(40 994)	(46 778)
Effect of movement of exchange rates	203	2 319	4 417	6 939
Balance at June 30, 2023	63 134	112 598	175 555	351 287
Balance at January 1, 2022	18 195	104 995	173 240	296 430
Provisions formed during the year	44 440	54 543	161 026	260 009
Provisions utilized during the year	-	(25 111)	(3 123)	(28 234)
Provisions no longer required	-	(30 067)	(148 158)	(178 225)
Effect of movement of exchange rates	296	4 176	5 798	10 270
Balance at December 31, 2022	62 931	108 536	188 783	360 250

Legal claims provision

The amounts shown comprises of gross provisions in respect of legal claims brought against the Group, and management opinion, after taking appropriate legal advice, that the outcome of these legal claims will not exceed significantly the provision formed as at June 30, 2023.

Warranty Provision

The Group provides warranty on its products and guarantees to either fix or replace the products that are not working properly, and the Group has estimated its warranty provisions to be EGP 112 598 at the end of the year for expected warranty claims in the light of management experience for repair and returns level in previous yearsThe warranty provision includes a long-term provision amounted as at June 30, 2023 EGP 9 632 (December 31, 2022 EGP 13 935).

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

28-Provisions (Continued)

Other provisions

Other provisions are related to claims expected to be made by a third party in connection with the Group operations. The information usually required by accounting standards Is not disclosed because the management believes that to do so would seriously affects the outcome of the negotiation with that third party. These provisions are reviewed by management yearly and adjusted based on latest developments, discussions and agreements with the third party.

A portion of the value of the formed and (no longer required) of the other provisions is included in the sales revenue. The value of the formed provisions on June 30, 2023 amounted to 44 593 thousand Egyptian pounds and the value of the no longer required provisions is 34 511 thousand Egyptian pounds EGP.

29-Financial risk management

1- Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, price risk, cash flows and fair value interest rate risk), credit risk and liquidity risk.

The Group's efforts are addressed to minimize potential adverse effects of such risks on the Group's financial performance

A-Market risk

1.Foreign currency exchange rate risk

The Group is exposed to foreign exchange rate risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Foreign exchange rate risk arises from future commercial transaction, assets and liabilities in foreign currency outstanding at the consolidated balance sheet date, and also, net investments in foreign entity.

The below table shows the exposures of foreign currencies at the consolidated balance sheet date, presented in EGP, as follows:

	June 30, 2023			December 31, 2022
	Assets	Liabilities	Net	Net
US Dollars	1 171 451	(1 764 798)	(593 347)	(1 220 191)
Euros	131 051	(14 542)	116 509	171 453
Other currencies	13 198	(30 116)	(16 918)	(23 970)

2.Price risk

The Group has no investments in a quoted equity security, so it's not exposed to the fair value risk due to changes in prices

3.Cash flows and fair value interest rate risk

Some of the group companies are exposed to the risk of changes in interest rates due to the existence of long-term loans. Long-term loans with variable interest rates expose the group to the risk of cash flows being affected by changes in interest rates. Long-term loans with fixed interest rates expose the group to the risk of the fair value being affected by changes in interest rates.

Loans, advances and bank overdrafts with variable interest rates amounted to 11,336,056 thousand Egyptian pounds on June 30, 2023 (8,980,544 thousand Egyptian pounds on December 31, 2022). It is worth noting that most of these loans and advances (non-banking financial services sector) were used for customer contracts for the purpose of financing car sales contracts and operating and financing lease contracts, and they are transferred by guaranteeing the financial rights of the contracts concluded and arising from those contracts towards the customers of the group companies.

Financial assets that carry fixed interest rates are amounted to EGP 190 876 as at June 30, 2023 (EGP 145 745 as at December 31, 2022).

		June 30, 2023	December 31, 2022
Time deposits	USD	31 879	136 659
Time deposits	EGP	158 997	9 086
		190 876	145 745

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

B-Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as credit exposures to wholesalers and retail customers, including outstanding accounts and notes receivables.

For banks, the Group is dealing with the banks which have a high independent rating and banks with a good solvency in the absence of an independent credit rating.

For suppliers and wholesalers, the Credit Controllers assess the credit quality of the wholesale customer, taking into account their financial position, past experience and other factors.

For individuals the legal arrangements and documents accepted by the customer are minimizing the credit risk to its lowest level. Provisions are accounted for doubtful debts on an individual basis.

The ratio of allowance for impairment of accounts and notes receivables to the total debts is as following:

	June 30, 2023	December 31, 2022
Notes and accounts receivables	9 998 114	7 263 607
Expected credit loss for accounts and notes receivable balances	426 685	366 775
The ratio of the expected credit loss to the total accounts and notes receivable	**4.27%**	**5.05%**

C-Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's management aims at maintaining flexibility in funding by keeping committed credit lines available.

D- Fair value estimation

The fair value of financial assets or liabilities with maturity dates less than one year is assumed to approximate their carrying value less any estimated credit adjustments. The fair value of financial liabilities – for disclosure purposes – is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

For the fair value of financial instruments that are not traded in an active market, The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the financial instruments or similar instruments are used for long-term debt.
Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. At the balance sheet date, the fair value of non-current liabilities does not significantly differ from their carrying amount, as the interest rates do not significantly differ.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

30-Invesments in subsidiaries

The consolidated financial statements for GB Corp. "S.A.E.", include the financial statements of the following subsidiaries:

Company Name	June 30, 2023	December 31, 2022
RG Investment "S.A.E."	99.99%	99.99%
International Trade Agencies and Marketing Co. (ITAMCO) "S.A.E."	99.45%	99.45%
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt) "S.A.E."	99.53%	99.53%
Ghabbour Continental Trading Co. (GCT) –Alex "S.A.E."	100.00%	100.00%
GB Polo Buses Manufacturing "S.A.E."	80.00%	80.00%
Haram Company for tansportation and trading "S.A.E."	99.00%	99.00%
** GB Company for financial lease and Factoring "S.A.E."	55.00%	100.00%
GB Auto Rental For transportation "S.A.E."	100.00%	100.00%
GB Allab Company	66.20%	66.20%
Masters Automotive Company "S.A.E."	75.00%	75.00%
Almajmoa Alalamia; Litijaret Alsaiarat (GK)	83.33%	83.33%
GB Logistics "S.A.E."	99.98%	99.98%
GB Capital holding for financial investments "S.A.E."	99.00%	99.00%
Gulf Company	100.00%	100.00%
Drive for car trading "S.A.E."	100.00%	100.00%
Drive for financing and non banking service "S.A.E."	100.00%	100.00%
Ghabbour Al Qalam	68.00%	68.00%
GB Global Company	100.00%	100.00%
GBR Auto Company	54.00%	54.00%
GBR Services Company	48.80%	48.80%
Egypt Auto Mall Company for used car "S.A.E."	99.00%	99.00%
GB El Bostan	60.00%	60.00%
Ghabbour general trade	25.00%	25.00%
Pan African Egypt Company for Oil "S.A.E."	100.00%	100.00%
Tires & more Company for car services "S.A.E."	100.00%	100.00%
Ready Parts for automotive spare parts "S.A.E."	97.67%	97.67%
Engineering Company for transportation maintenance El Mikaneeky	65.00%	65.00%
Egyptian International Maintenance and cars Manufacturing Company EIAC "S.A.E."	100.00%	100.00%
GB Finance BV (Luxmburg previously)	100.00%	100.00%
Salexia L.T.D. Trading (Cyprus)	100.00%	100.00%
BBAL Blue Bay Auto Loan Investments Cyprus LTD	100.00%	100.00%
GB Capital Securitization S.A.E.	100.00%	100.00%
GB for Import & export	100.00%	100.00%

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

GB Capital BV	100.00%	100.00%
GB Real Estate Mortgage Finance B.V.	100.00%	100.00%
Transport Vehicle Distribution TVD S.A.E.	51.00%	51.00%
* Automobilk S.A.E	85.00%	65.00%
** GB Finance Lease BV	40.00%	100.00%
GB Operational Lease BV	100.00%	100.00%
GB Consumer Finance B.V.	100.00%	100.00%
SME's credit faciliities company B.V.	100.00%	100.00%
GB Global BV	100.00%	100.00%
GB Automative For Trade and Manfacture	100.00%	100.00%
SME Credit Eteman	100.00%	100.00%
International Company For car components (S.A.E)	51.00%	-
GB Kinya	100.00%	-

* During 2023, the group increased the percentage of investment in Autombilak S.A.E by 20%, so the total value of the investment became 85% instead of 65%.

** The Board of Directors of GB Capital for Financial Investments S.A.E, which is 99.99% owned by GB Auto S.A.E, on September 6, 2022, agreed to to enter a negotiation into an agreement to sell an indirect percentage representing 60% of the company's shares. GB Lease BV, with a total value of 855 million Egyptian pounds, and on January 19, 2023, GB Capital for Financial Investments S.A.E. carried out the final sale process, as the sale resulted in a decrease in the company's shareholding in GB Leasing Company S.A.E. . 45%, so that the indirect ownership percentage of GB Corp (GB Auto Previously) in GB Leasing S.A.E, after executing the sale transaction, reached 55%.

31- Payment under Investment fair value through profit and losses

	June 30, 2023	December 31, 2022
GBM Global	72	72
Total	72	72

32- Capital Commitments

The capital contractual expenditure of the Group at the consolidated financial statements date reached EGP 214 105 at June 30,2023 (EGP 463 730 as at December 31, 2022) represented in the amount to be paid upon the completion of the new production lines under construction and other branches across the country.

33- Cointaingent Liablities

There are contingent liabilities on the Group represented in letters of guarantee .The balance of the letters of guarantee granted by the Group in Egyptian Pounds and foreign currencies through its ordinary business, presented in EGP are as follows:

	June 30, 2023	December 31, 2022
USD	2 090 870	1 573 452
EGP	119 576	138 112
Japanese Yen	100 624	72 210
Euro	159 245	3 620
Crona Swidish	161 718	64 052

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

34-Related party transactions

The subsidiaries have current accounts with related parties which include all payments made on behalf of or through the subsidiaries. The subsidiaries collect and pay these amounts regularly.

Balances due from and to related parties are as follows:

Due from related parties	June 30, 2023	December 31, 2022
El Bostan Holding	131 584	105 091
SARL SIPAC – Algeria	22 865	18 015
Algematco – Algeria	56 557	41 048
MNT Investment B.V. Group	138 048	81 517
El Qalam Shareholders' Current Account	79 229	3 960
Total	**428 283**	**249 631**
Impairment of due from related parties	(74 369)	(64 623)
	353 914	**185 008**

Due to related parties	June 30, 2023	December 31, 2022
Marco Polo Company	116 937	93 587
Al Watania for car accessories and spare parts	2 902	8 084
Wahdan Company	68	68
	119 907	**101 739**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

The following is the nature and the values for the most significant transactions with the related- parties during the Period:

Related party name	Relation type	Transaction nature	Transaction amount June 30, 2023	Transaction amount December 31, 2022
Executive BOD Members	Board of Directors	Top Management Salaries	10 608	43 597
SARL SIPAC – Algeria	Related Party	Cash transfer	(4 850)	(6 764)
El- Qalam Shareholder current account	Shareholder in one of the subsidiaries	Services	4 948	3 960
Marco Polo Company	Shareholder in one of the subsidiaries	Services	(23 350)	(34 043)
Algematco – Algeria	Shareholder in one of the subsidiaries	Cash transfers	15 509	13 757
Bostan Holding	Related Party	Foreign Currency translation difference	(26 493)	(38 226)
MNT Investment B.V. Group	Related Party	Cash transfers	56 531	(10 988)
QI Invesmetn (Gaya priviously)	Shareholder in one of the subsidiaries	Cash transfers	-	10 345

35- Investment in associates

	Contribution percentage	December 31, 2022	Net Profit /Losses for the period	Additions during the period	Disposal During the period	Dividends Distrbution	June 30, 2023
MNT Investment B.V. Group *	49.50%	9 456 932	493 473	-	-	-	9 950 405
Bedaia for Real estate Financing	33.33%	84 899	(6 484)	-	-	(4 461)	73 954
Tokyo Marine	37.50%	17 876	(4 459)	-	-	-	13 417
		9 559 707	482 530	-	-	(4 461)	10 037 776

* During the year 2022, the company sold a share of its shares by 7.5% in the (MNTBV) group of companies, so that the percentage of the company after the sale became 49.5%, and as a result of this sale, it lost control of the (MNTBV) group of companies, then the company By re-evaluating the remaining shares at fair value in the (MNTB) group of companies on the date of losing control, and the re-evaluation resulted in profits resulting from the re-measurement at fair value, and it was classified on the income statement during the year 2022, and therefore the comparative figures include the results of the business of the (M) group of companies NTB).

36-Other investments with fair value through profit and losses

	Contribution percentage	June 30, 2023	December 31, 2022
Sky reality holding	7.49%	103 500	103 500
Atlana company for car service	29.60%	2 000	2 000
Seatr application	17.50%	500	500
Tawfiqia .com	10.00%	500	500
		106 500	106 500

GB Corp (S.A.E)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2023
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

37- Income statement according to expense nature

	June 30, 2023	June 30, 2022
Operating Revenue	10 751 382	15 675 848
Operating Cost	(8 364 962)	(11 665 088)
Gross Profit	**2 386 420**	**4 010 760**
Other income	140 801	156 232
Provisions no longer required	32 166	79 606
Gain /(Loss) from investment in associate & investment liquidation	482 530	(30 509)
Interest income	153 180	106 095
Installment sales interest	8 883	10 482
Bank charge	(77 703)	(56 717)
Interest expense	(523 814)	(368 033)
Salaries & Benefits	(803 878)	(1 334 834)
Selling & Marketing	(91 830)	(56 447)
Rents	(43 920)	(55 065)
Net Gain/Losses foreign exchange transaction	(258 056)	(224 602)
Provisions formed	(99 337)	(131 050)
Depreciation and Amortization	(112 546)	(149 158)
Consulting	(60 932)	(112 597)
Transportation	(18 447)	(19 547)
vehicles expense	(34 795)	(30 516)
Governmental Fees & stamps	(55 915)	(27 093)
IT Expense	(28 759)	(40 904)
Other Expenses	(30 135)	(66 160)
Insurance	(14 548)	(11 544)
Security Expense	(12 976)	(12 840)
training employees	(13 088)	(11 058)
Repair/Maintenance Expenses	(801)	(481)
Administration Supplies	(19 840)	(30 011)
Utilities	(8 760)	(10 458)
Donations & Puplic relation	(23 586)	(40 431)
Medical Fund	(24 082)	(37 338)
Freight	(10 799)	(4 350)
Net profit for the year before income tax	**835 433**	**1 501 432**

38- Securitized Operations

During the period the group (the non-banking financial services sector) signing into money transfer contracts and the data on securitization operations are as follows:

The securitization portfolio consists of financial rights and deferred dues secured by various guarantees in favor of the assignor, which have been transferred to the assigne.The assignor has transferred financial rights and deferred payment dues for the purpose of issuing securitized bonds.

June 30, 2023		December 31, 2022	
Total Value	Fair Value	Total Value	Fair Value
26 261 373	14 472 111	19 146 302	12 396 833

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

39-Bonds

Drive finance company has adopted a bond issuance program on several issues under the private placement system, which are tradable and non-transferable nominal bonds over several issues for a period of (3) years at an amount of 2,000,000 Egyptian pounds (only two billion Egyptian pounds only) and for a period of no less than For thirteen months for each issue, and with an equal rank in the priority of payment and guarantee with the rank of the current and future long-term financial debts of the issuing company with the exception of the legally established privileges and with the exception of the secured loans mentioned in the information memorandum in accordance with the decision of the Board of Directors of the Financial Supervisory Authority No. 54 of 2014 and its amendments And at a nominal value of (100) pounds per bond.

The first version of the program was launched at an amount of 700 million Egyptian pounds on 23/06/2022, as follows:

Part (A): Nominal bonds that are negotiable, non-convertible to shares and not subject to accelerated call-up for a period of thirteen (13) months starting from the day following the date of closing the subscription door, with a value of EGP 300,000,000,000 (only three hundred million Egyptian pounds). With a nominal value of 100 EGP (only one hundred Egyptian pounds) per bond, it is to be consumed monthly as of the first month from the date of closing the subscription door with a fixed monthly installment amounting to 23 076 923 Egyptian pounds and with a fixed annual return of 14%, calculated starting from the day following the date of closing the subscription door It is paid monthly, starting from the first month of the subscription closing date.

Part (B): Nominal bonds that are negotiable, non-convertible into shares, and subject to accelerated call-up starting from coupon No. (14) (the 14th month of issuance) and for a period of sixty (60) months starting from the next day from the date of closing the subscription door, with a total value of 400,000,000,000 EGP (only four hundred million Egyptian pounds) with a nominal value of 100 EGP (only one hundred Egyptian pounds) per bond to be amortized over a period of 60 months starting from the first month of the subscription closing date with a fixed monthly installment 6 667 666 EGP with a fixed annual return It amounts to 13.5% and is calculated starting from the day following the closing date of the subscription and is paid monthly, starting from the first month of the closing date.

	June 30, 2023				
	Total Value	Borrowing Cost	Convert from long to short term	Paied	Net
Istallments Due within a year	356 923 077	(1 907 072)	100 534 160	(352 473 241)	103 076 924
Istallments Over a year	343 076 923	(2 542 763)	(100 534 160)	-	240 000 000
Total	700 000 000	(4 449 835)	-	(352 473 241)	343 076 924

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

40 –Private Risk Reserve

The risk reserve is represented in non-banking financial services, the effects of applying the Egyptian Accounting Standard No. 47 "Financial Instruments" equivalent to 1% of the assets listed in the risk weights in accordance with the provisions of the decisions issued by the Board of Directors of the General Authority for Financial Supervision No. 200 of 2020 on some companies that engage in financial activities

Non-banking, and the balance on June 30, 2023 reached 20.3 million Egyptian pounds, and the balance of this reserve will not be used after applying Standard No. 47 except after obtaining the prior approval of the Authority.

41 – General Risk Reserve

A general risk reserve is the difference between applying the expected credit loss model according to the non-bank financial companies' application of the Egyptian Accounting Standard No. 47 on January 1, 2021 for the provision for doubtful debts, and the management of the subsidiaries decided to create this reserve until it was presented to the general assemblies of the subsidiaries for approval.

42- Reserve for financial Solvency

In accordance with Article No. (6) of the Financial Regulatory Authority's Board of Directors Decision No. (191) of 2018, a general provision is formed at the rate of (1%) of the total regular balances, and a provision is formed on doubtful balances according to the rates of delay in collection divided into four Levels according to the degree of regularity in payment for each individual case.

An amount of retained profits or losses is set aside in the solvency risk reserve account within equity, and the reserve amount is calculated and always adjusted by deduction from or refund to the retained profits or losses, by the amount of the excess of the impairment provision calculated in accordance with the solvency standards over the provision for impairment of customers that was recognized in accordance with Egyptian accounting standards at the date of the financial statements.

Account	
(1) The balance of provisions for doubtful financing balances in accordance with the basis for calculating provisions in Article No. (6) of the Financial Regulatory Authority's Board of Directors Resolution No. (191) of 2018.	43 618
(2) Balance of net impairment of customers as recorded in the books and according to Egyptian accounting standards (expected credit losses).	(43 618)
The balance of reserve for financial solvency	–

43- Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are summarized below:

A- Business combination

-The Group accounts for business combination using the acquisition method when control is transferred to the Group.

-The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

-Any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase recognized in profit or loss immediately.

-Transaction cost is expensed as incurred, except if related to the issue of debt or equity securities.

-The consideration transferred does not include amounts related to the settlement of pre-exiting relationship. Such amounts are generally recognised in profit or loss.

-Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that met the definition of financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

1) Subsidiaries

- Subsidiaries are entities controlled by the Group.
- The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2) Non-controlling interests

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4) Transaction elimination on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

43 -Significant accounting policies (Continued)

B- Foreign currency

1) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other comprehensive income.

2) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss. Then the partial share must be reclassified.

C- Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative period.

43 -Significant accounting policies (Continued)

D) Revenue from customer contracts.

Egyptian Accounting Standard No. 48 - Revenue from contracts with customers.

Egyptian Accounting Standard No. 48 specifies a comprehensive framework for determining the value and timing of revenue recognition. This standard replaces the following Egyptian accounting standards (Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts". Revenue is recognized

When a customer is able to control units or services, determining the timing of the transfer of control - over a period of time or at a point in time - requires a measure of personal judgment.

The costs of assign a contract with customers

Under Egyptian Accounting Standard 48, some of the additional costs incurred in acquiring a contract with a customer ("contract costs"), which previously did not qualify for recognition as an asset under any of the other accounting standards, have been deferred in the consolidated statement of financial position. The effect of capitalization of contracts costs resulting from the application of Egyptian Accounting Standards (no.48)

E- Employee benefit

1) **Short – term employee benefits**
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2) **Share – based payment arrangements**
The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.
For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3) **Defined contribution plans**
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
The Group pays contributions to the Public Authority for Social Insurance for their employees based on the rules of the social insurance law no 79 for the year 1975. The employees and employers contribute under this law with a fixed percentage of wages. The Group's commitment is limited to the value of their contribution. And the Group's contribution amount expensed in profits and losses according to accrual basis.

43 -Significant accounting policies (Continued)

4) Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted - before tax – to reflect the time value of money.

F- Finance income and finance costs
The Group's finance income and finance costs include:

- interest income.
- interest expense.
- Foreign currency gains or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.
Interest income of non banking financial corporations is represented in cost of sales and other corporations within finance costs.

G- Income Tax
The recognition of the current tax and deferred tax as income or expense in the profit or loss for the period, except in cases in which the tax comes from process or event recognized - at the same year or in a different period - outside profit or loss, whether in other comprehensive income or in equity directly or business combination.

1) Current income tax
The recognition of the current tax for the current period and prior periods and that have not been paid as a liability, but if the taxes have already been paid in the current period and prior periods in excess of the value payable for these periods, this increase is recognized as an asset. The taxable current liabilities (assets) for the current period and prior periods measured at expected value paid to (recovered from) the tax authority, using the current tax rates (and tax laws) or in the process to issue in the end of the financial period. Dividends are subject to tax as part of the current tax. But do not be offset for tax assets and liabilities only when certain conditions are met.

2) Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is not recognised for:

a. Taxable temporary differences arising on the initial recognition of goodwill.,

b. Temporary differences on the initial recognition of assets or liabilities in a transaction that is not: 1) business combination
2)And not affects neither accounting nor taxable profit or loss.

c. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they

can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. deferred tax assets are reassessed at each reporting date, and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.
The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset only if certain criteria are met.

H- Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate share of production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

I- Property, plant and equipment

1) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.
The modified cost model was adopted which the cost and accumulated depreciation for some categories of fixed assets (Machinery and equipment, Vehicles, Furniture and office equipment, Tools and supplies) are modified using modification factors stated in annex (A) of EAS no. (13). The increase of net fixed assets which are qualified to modification, were recognized in other comprehensive income items and was presented as a separate item in equity under the name of "modification surplus of fixed assets". The realized portion of modification surplus of fixed assets is transferred to retained earnings or losses in case of disposal or abandonment of the asset which qualified for modification or usage (depreciation difference resulting from the adoption of the special accounting treatment).

2) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the (straight-line method) over their estimated useful lives for each item, and is generally recognised in profit or loss.

Land is not depreciated. Estimated depreciation rates for each type of assets for current and comparative periods are as follow:

43 -Significant accounting policies (Continued)

Asset	Depreciation rate
Buildings	4%- 2%
Machinery & equipment	20%- 10%
Vehicles	25%- 20%
Fixtures & Office furniture	33%- 6%
IT infrastructures & Computers	25%
Leasehold improvements	20% - or lease period whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4) **Reclassification to investment property**
The reclassification of assets to investment property when the use of a property changes from owner-occupied to investment property.

5) **Project under construction**
The projects under construction recognized at cost. All expenses related to cost includes direct and necessary to prepare the asset to the state that is ready to use and in the purpose for which it was acquired for. The asset transferred from projects under construction to fixed assets when it is completed and ready to use.

J- Intangible assets and goodwill

1) **Recognition and measurement**

I. **Goodwill:**
Arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

II. **Other intangible assets:**
Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.
The right of use of the trade mark is amortized on a straight line method over the expected 30 years of use.

III. **Computer software**
Costs associated with developing or maintenance of computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate future economic benefits beyond one year, are recognised as intangible assets.
Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Expenditure to acquire computer software is capitalized and included as an intangible asset. Computer software costs recognised as assets are amortised using the straight-line method over their useful lives and not exceeding a year of 3 years.

IV. Knowhow

The amounts paid against knowhow are recognized as intangible assets in case of knowhow have a finite useful life and amortized over their estimated useful lives.

43- Significant accounting policies (Continued)

2) Subsequent expenditure

Subsequent expenditure is capitalised only when the intangible asset will increase the future economic benefits embodied in project, research, and development under construction which is recognized as intangible assets. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3) Amortization

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the (straight-line method) over their estimated useful lives, and is generally recognised in profit or loss.

Goodwill is not amortised.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K- Investment property

Investment property is property held by the Group for rental or rise in value, or both and initially measured at cost and subsequently at cost less accumulated depreciation and impairment, and recognize in profit and loss the depreciation expenses and impairment losses.

The depreciation of investment property calculated using (straight-line method) over their estimated useful lives for each type of investment property, land is not depreciated.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

L - Financial instruments

EAS 47 – Defined the recognition and measurement of financial assets and financial liabilities and some of non-financial items agreements for sale or purchase. This standard replaces EAS 25 financial instruments: presentation and disclosure and EAS 26 financial instruments.

The recognition and measurement and EAS 40 financial instruments disclosures applied on 2021 disclosures.

Financial assets and financial liabilities Classification and measurement

- The new standard requires the company to valuate the classification of financial assets at the company's financial statements according to the financial assets cash flow conditions and the company related business module for financial assets certain category.

- EAS 47 has no longer available for sale classification for financial assets. The new standard contains different requirements for financial asset in debit instruments or equity instruments.

The financial instruments must be classified and measured by one of the following:

- Amortized cost, which actual interest rate will be applied or
- Fair value through comprehensive profit and loss with subsequent reclassification to profits and losses when the financial assets sale .
- fair value through profit and losses

a. Investments in equity instruments must be classified and measured by one of the following methods except for those considered and applied owners' equity accounting

- Fair value through other comprehensive income through subsequent reclassification to profits and losses statement when financial assets have been sold
- Fair value through profits and losses

b. The company initially continues in measurement of financial assets by using fair value plus cost of transaction at the initial recognition except the financial assets measured at fair value through profits and loss in accordance with the current practices.

EAS 47 largely retains the current requirements including those in EAS 26 for financial liabilities classification and measurements
The application of EAS 47 didn't have a significant impact on the company's accounting policies related to financial liabilities and derivatives.

Impairment: -

c. EAS 47 uses the expected credit loss model, which replaces the exposure loss model EAS 26, where there was no need for a provision for doubtful debts except in cases in which there is actual loss incurred in contrast, the ECL model requires the company to recognize for doubtful debts provisions on all financial assets included in amortized cost as well as debt instruments classified as fair value through other comprehensive income since initial recognition regardless of whether loss was incurred as a result, the company's doubtful debts provisions has been increased when applying EAS 47 at 1 January 2021.
Below are the main changes in the group's accounting policy for impairment of financial assets.

When determining a default for the purpose of determining the risk of a default, the entity shall apply a default definition consistent with Identification used for internal credit risk management purposes of the relevant financial instrument and theoretical qualitative indicators when appropriate. However, it is a rebuttable assumption that the default does not occur later when the financial asset is due.
for a period of 90 days unless an entity has reasonable and supportive information to demonstrate that the non-satisfactory default criterion is the most appropriate.

The default definition used for these purposes is applied consistently to all financial instruments unless information is available.

Which prove that non-consensual recognition of the other is not appropriate for a particular financial instrument.

A three-stage approach is applied to measure expected credit losses for financial assets listed at cost
depreciated and debt instruments designated as Fair value through other comprehensive income.
Assets are transferred through
The following three stages are based on the change in the quality of credit ratings since initial recognition for these assets :
Principle of these assets

- Stage one: 12-month expected credit losses

For exposures that have not resulted in a quantitative increase in credit risk since initial recognition, a portion of the credit risk is recognized. Lifetime ECL based on the probability of default occurring over the next 12 months

- Stage two: Lifetime ECL - not credit-impaired

For credit exposures that have resulted in a significant increase in credit risk since initial recognition, but not Credit impaired, lifetime expected credit losses are recognized.

- Stage Three: Lifetime Expected Credit Loss Financial assets are credit-impaired when the One or more events that have a detrimental effect on the estimated future cash flows of those assets Finance.

- **Measurment**

The company apply the simplified approach to calculate expected credit losses for the Auto &Auto related sector companies due to the absence of an important credit component associated with their contracts with customers while apply for the non-banking financial sector companies, the general approach was applied to calculate expected credit losses due to the presence of an important credit component in contracts with customers of that sector.

- **Hedge accounting**

Egyptian Accounting Standard No. 47 increases the company's ability to apply hedge accounting. In addition, it has been Align the requirements of the standard more closely with the company's risk management policies, so high coverage will be measured in the future.

M- Share capital

1) Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS No. (24) "Income Tax".

2) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

N- Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

1) **Warranties**

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

2) **Legal Claims**

The recognition of the provision for legal claims when there are legal claims against the Group and after receiving appropriate legal advice.

3) **Other Provisions**

Provisions are recognized when there are other expected claims from third parties with respect to the activities of the Group and, according to the latest developments and discussions and agreements with those parties.

O- Leases

Egyptian Accounting Standard (49) replaces Egyptian Accounting Standard No. (20) - Accounting rules and standards related to financial leasing operations.

- The Egyptian Accounting Standard No. (49) "Lease Contracts" provides a single accounting model for the lessor and the lessee, where the lessee recognizes the usufruct right of the leased asset within the company's assets and also recognizes a liability, which represents the present value of the unpaid lease payments within the company's obligations, taking into account that Leases for the lessee are not classified as an operating lease or as a finance lease. There are optional exemptions for short-term and low-value leases.
  With regard to the lessor, the lessor must classify each of its lease contracts as either an operating lease or a finance lease.
- With regard to the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present them as amounts receivable in an amount equal to the net investment in the lease contract.
  For operating leases, the lessor must recognize lease payments from operating leases as income either on a straight-line basis or on any other regular basis.

Recognition and measurement

- At the inception of the contract, the company evaluates whether the contract contains lease arrangements. For such lease arrangements, the company recognizes usufruct assets and lease contract liabilities, with the exception of short-term lease contracts and low-value asset contracts as follows:
- On initial recognition, a right-of-use asset is measured as the amount equal to the lease liability, which is initially measured, adjusted for pre-contract lease payments, initial direct cost, lease incentives, and the discounted value of the estimated costs of dismantling and removing the asset. On subsequent measurement, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter of the estimated useful lives of the usufruct assets or the lease term.
- The lease contract obligation is measured at the beginning of the lease contract at the present value of the unpaid lease payments on that date over the lease period, and the lease payments must be discounted at the rate using the incremental borrowing prevailing in the country. In general, the company uses the incremental borrowing rate as a discount rate. The lease liability is then measured at amortized cost using the effective interest method.
- The usufruct assets and lease liability will be remeasured later in the event of one of the following events:

• The change in the rental price due to the linkage to the prices or the rate that became effective in the period.
• Amendments to the lease.
• Re-evaluation of the lease term.

Leases of non-core assets not related to the Company's main operating activities, which are short-term in nature (less than 12 months including renewal options) and leases of low-value goods are recognized in the income statement as incurred.

Important judgments in determining the lease term for contracts that include renewal options

The Company determines the term of the lease as the non-cancellable term of the lease, together with any periods covered by the option to extend the lease if such right can reasonably be exercised, or any periods covered by the option to terminate the lease, if it is certain to be exercised That right.

The Company has the option under some lease contracts to lease the assets for additional periods, the Company applies judgment in assessing whether it is certain and reasonably certain to exercise the option to renew, that is to say, all relevant factors that create an economic incentive to exercise the renewal, after the commencement date, are taken into account The Company reinstates the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew (for example) a change in business strategy.

P- Segmental reports

A segment is a group of related assets and operations that are subject to risks and returns that are different from those of other sectors or within a single economic environment subject to risks and returns that relate to it, other than those relate of segments operating in a different economic environment.

Q-Dividends

Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

R-Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current period.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

s- New versions and amendments to the Egyptian Accounting Standards:

On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: – Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". – Egyptian Accounting Standard No. (24) "Income Taxes" – Egyptian Accounting Standard No. (30) "Interim Financial Reporting" – Egyptian Accounting Standard No. (31) "Impairment of Assets" – Egyptian Accounting Standard No. (49) "Leasing Contracts" 2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested. – The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested.	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option. Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented. - The company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.		These amendments are effective for annual financial **on** periods starting **or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes"	Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the fair value model are effective for financial periods starting **on or after January 1, 2023 retrospectively,** cumulative impact of the preliminary applying of the fair value model shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	- Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts"		**applies this model for the first time.**
Egyptian Accounting Standard No. (50) "Insurance Contracts".	1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ".	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024**, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

44– Significant Events

1- The Board of Directors of GB Capital for Financial Investments S.A.E, which is 99.99% owned by GB Corp. S.A.E, on September 6, 2022, agreeing to negotiate to enter into an agreement to sell an indirect percentage representing 60% of the shares of GB Lease BV, with a total value of 855 million Egyptian pounds, and on January 19, 2023, GB Capital for Financial Investments S.A.E carried out the final implementation of the sale process As a result of the sale process, the company's shareholding in GB Leasing Company S.A.E decreased. 45%, so that GB Corp indirect ownership percentage in GB Leasing S.A.E, after executing the sale transaction, becomes 55%.

2- During the year 2022, the company sold a 7.5% share of its shares in the (MNTBV) group of companies, so that the percentage of the company after the sale became 49.5%, and as a result of this sale, it lost control of the (MNTBV) group of companies, then the company By re-evaluating the remaining shares at fair value in the (MNTB) group of companies on the date of losing control, and the re-evaluation resulted in profits resulting from the re-measurement at fair value, and it was classified on the income statement during the year 2022. Therefore, the comparison figures include the results of the group (MNT BV) .

3- On May 16, 2023, Prime Minister Decision No. 1847 of 2023 was issued to replace the texts of paragraphs 5 / (c), (7), (9) of Appendix (c) accompanying the Egyptian Accounting Standard No. (13) related to "The Effects of Changes in Exchange Rates." Foreign currencies" added to the Prime Minister's Resolution No. 4706 of 2022, the following texts:

Paragraph 5 / (c): The financial period for applying the special accounting treatment mentioned in this appendix is the fiscal year or period that begins before October 27, 2022, the date of the exchange rate move, and ends on or after this date, and the following fiscal period or year.

Paragraph (7): An entity that, prior to the date of moving the exchange rate, may acquire fixed assets, real estate investments, exploration and evaluation assets, intangible assets (other than goodwill) and usufruct assets for lease contracts, financed by commitments. Listed on that date in foreign currencies, to recognize within the cost of those assets the debit currency differences resulting from the settled part of these obligations during the financial period for applying this special accounting treatment, in addition to the currency difference resulting from translating the remaining balance of these obligations at the end of December 31 2023 or at the end of the closing date of the financial statements for the financial period to apply this special accounting treatment, using the exchange rate used on that date. The facility can apply this option for each asset separately.

Paragraph (9): As an exception to the requirements of Paragraph No. "28" of the amended Egyptian Accounting Standard No. (13) "The effects of changes in foreign exchange rates for the recognition of currency differences, the establishment whose business results were affected by the net profits or losses of currency differences as a result of moving the price of Foreign exchange, whether the currency of its entry is the Egyptian pound or any other foreign currency, to recognize within the items of other comprehensive income the net debit and credit currency differences realized during the period, in addition to the differences resulting from retranslating the balances of the existing monetary items At the end of December 31, 2023 or at the end of the closing date of the financial statements for the financial period to apply this special accounting treatment, using the exchange rate used on that date, less any currency translation differences recognized as cost of assets in accordance with paragraph 7 of this Appendix. Considering that these differences resulted mainly from the unusual movements of the exchange rate.

Based on the decision of the Extraordinary General Assembly held on March 26, 2023, it was approved to change the name of the company to become GB Corporation, and an entry has been made in the commercial register to amend the company's name on May 7, 2023.

45- Subsequent Events

On July 1, 2023, the Iraqi government stopped importing 2&3 wheelers. The company's management is currently studying the future plan of Ghabbour Al-Qalam Company (a subsidiary) and the extent of the decision's impact on the subsidiary's activity.