

Arabian Cement Company S.A.E.  
Condensed Consolidated Interim Financial Statements  
together with Limited Review Report  
for the nine months ended September 30, 2023

## Contents

### **Arabian Cement Company (condensed consolidated interim financial statements)**

Limited review report	F-01
Condensed consolidated interim statement of financial position	F-02
Condensed consolidated interim statement of profit or loss	F-04
Condensed consolidated interim statement of comprehensive income	F-05
Condensed consolidated interim statement of changes in equity	F-06
Condensed consolidated interim statement of cash flows	F-07
Notes to the condensed consolidated interim financial statements	F-09

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**Limited Review Report**  
**For the Condensed Consolidated Interim Financial Statements**

To: The Board of directors of Arabian Cement Company  
An Egyptian Joint Stock Company

**Introduction**

We have conducted our limited review for the accompanying condensed consolidated interim financial position of Arabian Cement Company - An Egyptian Joint Stock Company - as of September 30, 2023, and the related condensed consolidated statements of profits or losses, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

**Scope of Review**

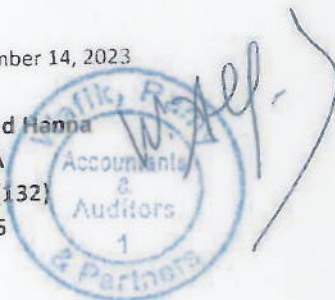
We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements (2410) - Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

**Conclusion**

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, November 14, 2023

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



**Arabian Cement Company (S.A.E.)**  
**Condensed Consolidated Statement of Financial Position**  
**as of September 30, 2023**

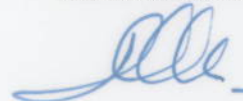
	Note No.	September 30, 2023 EGP	December 31, 2022 EGP
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	(10)	1 718 376 213	1 839 104 558
Assets under construction	(11)	690 821	3 952 133
Intangible assets (net)	(12)	170 209 032	191 268 364
Right of use assets (net)	(26)	14 759 991	12 992 066
Investment in a joint venture	(13)	1 052 354	2 569 276
<b>Total non-current assets</b>		<b>1 905 088 411</b>	<b>2 049 886 397</b>
<b>Current assets</b>			
Inventories	(14)	800 701 712	624 486 267
Trade receivables (net)	(15)	173 139 995	79 554 875
Debtors and other debit balances (net)	(16)	204 128 718	235 320 162
Due from related parties	(25)	95 368	76 140
Cash and bank balances	(17)	292 874 672	818 442 022
<b>Total current assets</b>		<b>1 470 940 465</b>	<b>1 757 879 466</b>
<b>Total assets</b>		<b>3 376 028 876</b>	<b>3 807 765 863</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued and paid-up capital	(18)	757 479 400	757 479 400
Legal reserve	(19)	294 829 535	260 543 120
Retained earnings		603 895 341	145 003 980
<b>Equity attributable to owners of the Parent Company</b>		<b>1 656 204 276</b>	<b>1 163 026 500</b>
Non-controlling interests	(20)	48 475	38 121
<b>Total Equity</b>		<b>1 656 252 751</b>	<b>1 163 064 621</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	(21)	--	177 476 090
Deferred tax liabilities	(8-3)	247 041 606	266 201 710
Notes payable	(22)	2 450 463	4 544 514
Lease liabilities	(26)	7 755 040	6 724 129
<b>Total non-current liabilities</b>		<b>257 247 109</b>	<b>454 946 443</b>
<b>Current liabilities</b>			
Trade and notes payable	(22)	924 487 417	847 567 285
Credit facilities	(21)	94 942 768	360 644 205
Current income tax liability	(8-2)	135 017 192	198 386 556
Current portion of long term borrowings	(21)	--	163 534 780
Creditors and other credit balances	(24)	250 155 211	299 002 000
Lease liabilities	(26)	8 692 639	6 411 505
Due to related parties	(25)	--	369 246
Dividends payable		--	249 968 203
Provisions	(23)	49 233 789	63 871 019
<b>Total current liabilities</b>		<b>1 462 529 016</b>	<b>2 189 754 799</b>
<b>Total Liabilities</b>		<b>1 719 776 125</b>	<b>2 644 701 242</b>
<b>Total equity and liabilities</b>		<b>3 376 028 876</b>	<b>3 807 765 863</b>

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

**Sergio Alcantarilla Rodriguez**  
Chief Executive Officer

**Arturo Gallart Mauri**  
Chief Financial Officer

- Auditor's report attached.



**Arabian Cement Company (S.A.E.)**  
**Condensed Consolidated Statement of Profit or Loss**  
**for the nine months ended September 30, 2023**

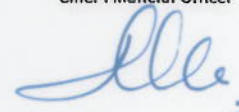
EGP	Note No.	For the three months ended		For the nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Sales (net)	(3)	1 418 868 663	1 303 993 018	4 602 903 250	3 433 451 971
Cost of sales	(4)	(1 153 325 619)	(1 141 586 752)	(3 689 736 786)	(2 846 421 408)
<b>Gross profit</b>		<b>265 543 044</b>	<b>162 406 266</b>	<b>913 166 464</b>	<b>587 030 563</b>
<b>Add/(deduct):</b>					
General and administrative expenses	(5)	( 51 840 505)	(38 177 281)	(140 828 516)	(90 177 597)
Provisions	(23)	( 3 042 000)	( 42 000)	(9 721 195)	(91 471 423)
Expected credit losses on trade receivables	(15)	--	--	(1 777 900)	--
Interest income		5 319 879	1 643 761	22 915 135	2 707 828
Other income		7 601 294	59 353 457	11 245 097	75 492 013
Finance costs	(6)	( 17 931 406)	(13 619 984)	(72 623 520)	(39 391 459)
Capital Gain		240 000	200 000	240 000	200 000
Share of (loss) profit of a joint venture		( 1 439 173)	8 088	(1 516 922)	89 470
Foreign currency exchange losses		( 343 056)	(17 981 837)	(105 415 061)	(82 475 809)
<b>Net profit before tax for the period</b>		<b>204 108 077</b>	<b>153 790 470</b>	<b>615 683 642</b>	<b>362 003 586</b>
Income tax	(8-1)	( 40 949 155)	(11 027 540)	(115 431 732)	(99 738 510)
<b>Net profit after tax for the period</b>		<b>163 158 922</b>	<b>142 762 930</b>	<b>500 251 910</b>	<b>262 265 076</b>
<b>Profit attributable to:</b>					
Owners of the Parent Company		163 150 240	142 750 602	500 241 556	262 245 065
Non-controlling interests	(20)	8 682	12 328	10 354	20 011
		<b>163 158 922</b>	<b>142 762 930</b>	<b>500 251 910</b>	<b>262 265 076</b>
<b>Earnings per share for the period</b>	(9)	<b>0.42</b>	<b>0.37</b>	<b>1.3</b>	<b>0.68</b>

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

Sergio Alcantarilla Rodriguez  
Chief Executive Officer



Arturo Gallart Mauri  
Chief Financial Officer



Arabian Cement Company (S.A.E)  
Condensed Consolidated Statement of Comprehensive Income  
for the nine months ended September 30, 2023

EGP	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net profit after tax for the period	163 158 922	142 762 930	500 251 910	262 265 076
Items of other comprehensive income	..	..	..	..
Comprehensive income for the period	<u>163 158 922</u>	<u>142 762 930</u>	<u>500 251 910</u>	<u>262 265 076</u>

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

Sergio Alcantarilla Rodriguez  
Chief Executive Officer



Arturo Gallart Mauri  
Chief Financial Officer



Arabian Cement Company (S.A.E)

Condensed Consolidated Statement of Changes in Shareholders' Equity  
for the nine months ended September 30, 2023

	Issued and paid-up capital		Legal reserve		Retained earnings		Attributable to the owners of the Parent Company		Non-controlling interests		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2022	757 479 400	257 830 772	45 625 489	1 060 935 661	38 681	1 060 974 342						
Transferred to legal reserve	--	2 712 348	( 2 712 348)	--	--	--						
Dividends distributed to employees	--	--	( 6 927 439)	( 6 927 439)	--	( 6 927 439)						( 6 927 439)
Total comprehensive income for the period	--	--	262 245 065	262 245 065	20 011	262 265 076			20 011			262 265 076
<b>Balance at September 30, 2022</b>	<b>757 479 400</b>	<b>260 543 120</b>	<b>298 230 767</b>	<b>1 316 253 287</b>	<b>58 692</b>	<b>1 316 311 979</b>						
Balance as of January 1, 2023	757 479 400	260 543 120	145 003 980	1 163 026 500	38 121	1 163 064 621						
Transferred to legal reserve	--	34 286 415	(34 286 415)	--	--	--						
Dividends distributed to employees	--	--	(7 063 780)	(7 063 780)	--	(7 063 780)						(7 063 780)
Total comprehensive income for the period	--	--	500 241 556	500 241 556	10 354	500 251 910			10 354			500 251 910
<b>Balance at September 30, 2023</b>	<b>757 479 400</b>	<b>294 829 535</b>	<b>603 895 341</b>	<b>1 656 204 276</b>	<b>48 475</b>	<b>1 656 252 751</b>						

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

Sergio Alcantarilla Rodriguez

Chief Executive Officer



Arturo Gallart Mauri

Chief Financial Officer

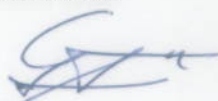


**Arabian Cement Company (S.A.E)**  
**Condensed Consolidated Statement of Cash flow**  
**for the nine months ended September 30, 2023**

EGP	Note No.	September 30, 2023	September 30, 2022
<b>Cash flows from operating activities</b>			
Net profit before tax for the period		615 683 642	362 003 586
<b>Adjusted by:</b>			
Finance costs	(6)	72 623 520	39 391 459
Interest income		(22 915 135)	(2 707 828)
Share of loss (profit) of a joint venture	(13)	1 516 922	( 89 470)
Depreciation of property, plant and equipment	(10)	158 120 220	155 400 259
Capital Gain		( 240 000)	( 200 000)
Amortization of intangible assets	(12)	21 059 332	21 059 331
Amortization of right of use assets	(26)	5 032 848	4 152 699
Expected credit losses on trade receivables	(15)	1 777 900	--
Unrealized foreign currency exchange losses from borrowings		--	33 304 350
Provisions	(23)	9 721 195	91 471 423
		<b>862 380 444</b>	<b>703 785 809</b>
Increase in inventories		(176 215 445)	(288 916 506)
Decrease (increase) in debtors and other debit balances		15 876 522	(292 835 119)
Increase in trade receivables		(95 363 020)	(274 247 970)
Increase in amounts due from related parties		( 19 228)	( 57 382)
(Decrease) increase in creditors and other credit balances		(48 846 789)	7 182 509
Increase in trade and notes payable		74 826 081	426 380 764
Decrease in amounts due to related parties		( 369 246)	(11 130 408)
Provisions used	(23)	(24 358 425)	(62 933 773)
<b>Cash flows generated from operating activities</b>		<b>607 910 894</b>	<b>207 227 924</b>
Finance costs paid		(71 728 666)	(38 383 393)
Income tax paid		(189 710 058)	(42 189 962)
<b>Net cash flows generated from operating activities</b>		<b>346 472 170</b>	<b>126 654 569</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(34 130 563)	(17 398 297)
Payments for purchase of project under construction		--	( 946 497)
Proceeds from selling of property, plant and equipment		240 000	200 000
Interest income received		22 915 135	2 707 828
<b>Net cash flows used in investing activities</b>		<b>(10 975 428)</b>	<b>(15 436 966)</b>
<b>Cash flows from financing activities</b>			
Net movement of borrowings		(341 010 870)	(84 476 124)
Net movement of credit facilities		(265 701 437)	101 091 115
Repayment for lease liabilities	(26)	(4 383 582)	(1 193 651)
Dividends paid		(249 968 203)	(6 927 439)
<b>Net cash flows (used in) generated from financing activities</b>		<b>(861 064 092)</b>	<b>8 493 901</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>(525 567 350)</b>	<b>119 711 504</b>
Cash and cash equivalents at the beginning of the period		818 442 022	128 250 456
<b>Cash and cash equivalents at the end of the period</b>	(17)	<b>292 874 672</b>	<b>247 961 960</b>

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

Sergio Alcantarilla Rodriguez  
Chief Executive Officer



Arturo Gallart Mauri  
Chief Financial Officer





### **The Company's general information**

Arabian Cement Company S.A.E. (The Company or the Parent Company), a joint stock Company incorporated in Cairo, Egypt, is a public company whose shares are traded on the EGX Egyptian Exchange. The Company was established on March 5, 1997 under the provisions of Law No. 230 of 1989 and Law No. 95 of 1992 according to the decree of the Chairman of the General Authority for Investment and Free Zone (GAFI) No. 167 of 1997.

The Company was registered in the Commercial Register under No. 13105 in Cairo, on April 3, 2005, which was changed to No. 53445 on August 16, 2011, as the Company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza - Egypt to be Villa 56 El Gihaz Street, Fifth Settlement, New Cairo, Egypt. The admin office changed to be on Gamal Abdel Nasser square (west Arabella), Fifth Settlement Arabella Plaza, Office Building (A), 5th floor.

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

The main shareholder of the Company is Aridos Jativa – Spanish Company, and it owns 60% of the Company's capital.

The Company's term is 25 years starting from the date of its registration at the Commercial Register.

The principal activities of the Company and its subsidiaries (the Group) are as follows:

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

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

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

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

**Egypt Green** for environmental services, clean energy production and development: establishment and operate factory for recycle for the wastes of production and services activity. The Company owns 99.99% of the issued and paid up capital of Egypt Green.

The condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on November 14, 2023.

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **1.1.1 Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) Interim financial reporting. These condensed consolidated interim financial statements do not include all the information required in the preparation of the full set annual consolidated financial statements and must be read in conjunction with the annual consolidated financial statements as of December 31, 2022.

### **1.2 Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 1.3 Basis of consolidation

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

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

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

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

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

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

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

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

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

## 2. Sales revenue

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

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Local</b>				
Sales	993 503 933	912 784 744	2 798 848 472	2 683 002 751
Services	27 921 092	30 531 780	61 345 911	95 864 250
	<b>1 021 425 025</b>	<b>943 316 524</b>	<b>2 860 194 383</b>	<b>2 778 867 001</b>
<b>Export</b>				
Sales	312 898 604	328 806 737	1 376 528 568	575 916 076
Services	84 545 034	31 869 757	366 180 299	78 668 894
	<b>397 443 638</b>	<b>360 676 494</b>	<b>1 742 708 867</b>	<b>654 584 970</b>
<b>TOTAL</b>	<b>1 418 868 663</b>	<b>1 303 993 018</b>	<b>4 602 903 250</b>	<b>3 433 451 971</b>



3. Cost of sales

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

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Raw materials	907 993 117	976 537 191	2 911 695 566	2 362 172 999
Manufacturing depreciation	52 803 077	51 784 250	156 174 583	153 606 885
Amortization of intangible assets	7 096 918	7 096 917	21 059 332	21 059 331
Amortization of right of use	1 818 851	1 357 376	5 032 848	4 152 699
Transportation cost	92 239 644	42 218 785	358 532 786	124 022 290
Overhead cost	91 374 012	62 592 233	237 241 671	181 407 204
<b>TOTAL</b>	<b>1 153 325 619</b>	<b>1 141 586 752</b>	<b>3 689 736 786</b>	<b>2 846 421 408</b>

4. General and administration expenses

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

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Professional fees	4 825 981	5 248 983	18 933 843	14 377 713
Salaries and wages	20 703 177	8 816 916	53 181 467	25 851 154
Security and cleaning services	984 952	286 855	1 870 186	843 657
Rentals	50 914	184 232	118 201	556 842
Transportation	3 389 129	4 395 514	9 517 088	5 668 492
Advertising	85 688	34 000	2 290 831	1 294 045
Administration depreciation	660 862	620 616	1 945 637	1 793 374
Other expenses	21 139 802	18 590 165	52 971 263	39 792 320
<b>TOTAL</b>	<b>51 840 505</b>	<b>38 177 281</b>	<b>140 828 516</b>	<b>90 177 597</b>

5. Finance costs

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

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Loan interest expense	8 678 603	8 962 137	32 100 606	25 378 496
Lease contracts interests	414 069	226 933	894 854	824 068
Bank overdraft interest expense	8 594 879	4 272 125	38 958 140	12 781 109
Other finance cost	243 855	158 789	669 920	407 786
<b>TOTAL</b>	<b>17 931 406</b>	<b>13 619 984</b>	<b>72 623 520</b>	<b>39 391 459</b>

6. Compensation of key management personnel \*

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

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Board of directors' salaries and allowances	13 224 780	5 429 256	34 149 993	15 204 392
<b>TOTAL</b>	<b>13 224 780</b>	<b>5 429 256</b>	<b>34 149 993</b>	<b>15 204 392</b>

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

## 7. Income taxes

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

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>CURRENT TAX</b>				
Current income tax expense for the period	37 655 705	29 206 079	134 591 836	129 417 480
<b>DEFERRED TAX</b>				
Net deferred tax recognized during the period	3 293 450	(18 178 539)	(19 160 104)	(29 678 970)
<b>TOTAL INCOME TAX FOR THE PERIOD</b>	<b>40 949 155</b>	<b>11 027 540</b>	<b>115 431 732</b>	<b>99 738 510</b>

### 7.2 Current tax liabilities

EGP	September 30, 2023	December 31, 2022
Current tax liabilities	135 017 192	198 386 556
<b>CURRENT TAX LIABILITIES</b>	<b>135 017 192</b>	<b>198 386 556</b>

### 7.3 Deferred tax balances

Deferred tax liabilities arise from the following:

30 September 2023	Opening balance	Recognized in profit or loss	Closing balance
<b>EGP</b>			
<b>(LIABILITIES):</b>			
Property, plant & equipment	(266 201 710)	18 353 088	(247 848 622)
<b>ASSETS:</b>			
Unrealized Forex foreign exchange Losses	--	807 016	807 016
<b>NET DEFERRED TAX LIABILITIES</b>	<b>(266 201 710)</b>	<b>19 160 104</b>	<b>(247 041 606)</b>

31 December 2022	Opening balance	Recognized in profit or loss	Closing balance
<b>EGP</b>			
<b>(LIABILITIES)</b>			
<i>Temporary differences</i>			
Property, plant & equipment	(301 472 827)	35 271 117	(266 201 710)
<b>NET DEFERRED TAX LIABILITY</b>	<b>(301 472 827)</b>	<b>35 271 117</b>	<b>(266 201 710)</b>

## 8. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:



Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
For the nine-months ended September 30, 2023

EGP	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Earnings for basic and diluted earnings per share</b>				
Profit for the period attributable to owners of the parent company	163 150 240	142 750 602	500 241 556	262 245 065
Employees share in distributable profits (note 16)	(2 705 336)	(1 719 699)	(7 902 932)	(5 164 343)
<b>Distributable profit for the period</b>	<b>160 444 904</b>	<b>141 030 903</b>	<b>492 338 624</b>	<b>257 080 722</b>
<b>Number of shares (for basic and diluted earnings per share)</b>				
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700	378 739 700	378 739 700
<b>EARNINGS PER SHARE</b>	<b>0.42</b>	<b>0.37</b>	<b>1.30</b>	<b>0.68</b>

Arabian Cement Company S.A.E  
Condensed Consolidated interim financial statements  
Together with limited review Report  
For the nine months ended September 30, 2023

10. Property, plant and equipment (net)									
EGP	Freehold land	Buildings and improvements	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total	
<b>COST</b>									
Balance at January 1, 2022	50 243 436	662 066 259	47 674 756	2 882 498 314	15 836 471	303 432 827	22 362 299	3 984 114 362	
Additions	--	2 056 862	13 048 458	777 021	49 503	538 685	927 768	17 398 297	
Disposals	--	--	--	(300 000)	--	--	--	(300 000)	
Balance at September 30, 2022	50 243 436	664 123 121	60 723 214	2 882 975 335	15 885 974	303 971 512	23 290 067	4 001 212 659	
Balance at January 1, 2023	50 243 436	659 653 224	61 826 691	2 880 293 199	15 892 264	304 062 824	23 517 100	4 011 486 738	
Additions	--	15 636 354	5 323 922	8 681 295	2 066 804	470 950	1 951 238	34 130 563	
Transferred from assets under construction	--	--	--	--	--	3 261 312	--	3 261 312	
Disposals	--	--	--	(360 000)	--	--	--	(360 000)	
Adjustments	--	--	--	(217 225)	--	--	--	(217 225)	
Balance at September 30, 2023	50 243 436	685 289 578	67 150 613	2 894 327 269	17 959 068	307 795 066	25 468 338	4 048 303 388	
<b>ACCUMULATED DEPRECIATION</b>									
Balance at January 1, 2022	--	302 616 098	37 508 527	1 444 187 878	10 209 528	153 824 930	21 372 212	1 964 169 173	
Depreciation expenses	--	21 150 594	3 232 028	117 374 775	957 663	11 527 565	797 592	155 400 259	
Disposals	--	--	--	(300 000)	--	--	--	(300 000)	
Balance at September 30, 2022	--	323 166 692	35 740 555	1561 212 653	11 177 211	165 802 516	22 169 805	2 119 269 432	
Balance at January 1, 2023	--	330 340 343	37 240 898	1601 280 541	11 446 424	159 828 036	22 247 938	2 172 384 180	
Depreciation expense	--	21 379 370	4 551 018	138 288 471	817 756	11 945 724	1 127 881	158 120 220	
Disposals	--	--	--	(360 000)	--	--	--	(360 000)	
Adjustments	--	--	--	(217 225)	--	--	--	(217 225)	
Balance at September 30, 2023	--	351 719 713	41 791 916	1 719 001 787	12 264 180	181 773 760	23 375 819	2 329 927 175	
<b>CARRYING AMOUNT</b>									
At September 30, 2022	50 243 436	333 569 865	25 358 697	1 175 395 482	5 694 888	126 021 326	2 092 519	1 718 376 213	
At September 30, 2023	50 243 436	340 956 429	24 982 659	1 321 782 682	4 708 763	138 168 996	1 120 262	1 881 943 227	
At December 31, 2022	50 243 436	329 312 681	24 585 793	1 285 012 658	4 445 840	134 234 788	1 269 162	1 839 104 558	

- The Group is currently in the process of cancelling the first-degree commercial and real estate mortgage with the Commercial International Bank (CIB) (Security Agent).

- The depreciation expense for the item of furniture and computers is included in the item of general and administrative expenses, Note (5) in the amount of EGP 1 945 637. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) in the amount of EGP 156 174 583.

10. Assets under construction

EGP	September 30, 2023	December 31, 2022
Balance as of January 1	3 952 133	3 261 312
Additions	--	690 821
Transferred to property, plant and equipment (Note No. 10)	(3 261 312)	--
<b>TOTAL</b>	<b>690 821</b>	<b>3 952 133</b>

Assets under construction are represented in the following categories:

Machinery and equipment	--	3 261 312
Technology equipment and installations	690 821	690 821
<b>TOTAL</b>	<b>690 821</b>	<b>3 952 133</b>

11. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
<b>Cost</b>			
Cost as of January 1, 2023	563 204 713	225 200 000	788 404 713
Cost as of September 30, 2023	563 204 713	225 200 000	788 404 713
<b>Accumulated amortization</b>			
Accumulated amortization as of January 1, 2023	(371 936 349)	(225 200 000)	(597 136 349)
Amortization for the period	(21 059 332)	--	(21 059 332)
<b>Total accumulated amortization as of September 30, 2023</b>	<b>(392 995 681)</b>	<b>(225 200 000)</b>	<b>(618 195 681)</b>
<b>Net book value September 30, 2023</b>	<b>170 209 032</b>	<b>--</b>	<b>170 209 032</b>
<b>Net book value December 31, 2022</b>	<b>191 268 364</b>	<b>--</b>	<b>191 268 364</b>

Operating license

As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 2 814 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months according to interest rate determined by the Central Bank of Egypt (CBE).

The above-mentioned value will be also applied for the second line and a 25% will be paid as an advance payment and residual amount will be settled over a period of 3 years according to the interest rate determined by the Central Bank of Egypt (CBE).

Electricity contract

Intangible assets represent the value of the contract concluded with the Ministry of Electricity on March 11, 2010, where the Ministry of Electricity identifies the needs of heavy industrial projects and arranges their needs, either through the establishment of new stations or already established ones. The cost of investments will be paid by the company according to what has been determined by the Ministry, which amounted to EGP 217.2 million, where payment has been agreed to be paid as follows:

15% advance payment equivalent to EGP 32.58 million.



Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
For the nine-months ended September 30, 2023

120 monthly instalments due on the first of every month from April 2010 amounted by EGP 1.220 million per each instalment.

120 monthly instalments due on the first of every month from February 2011 amounted by EGP 1.342 million per each instalment.

In addition to EGP 8 million for the allocation of two cells of the traditional type, to be paid in four quarterly instalments and the last instalment was due on 1 February 2011.

#### 12. Investment in a joint venture

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

Name of associate	Place of incorporation	Proportion of ownership interest and voting power held by the Group	EGP	
			September 30, 2023	December 31, 2022
Andalus Reliance for Mining Company	Egypt	50%	1 052 354	2 569 276
<b>TOTAL</b>			<b>1 052 354</b>	<b>2 569 276</b>

#### 13. Inventories

EGP	September 30, 2023	December 31, 2022
Raw materials	82 640 315	46 452 661
Fuel	221 555 513	98 641 560
Packing materials	36 932 167	73 001 447
Spare parts	25 773 898	17 627 958
Work in progress	1 879 287	2 574 802
Finished goods	431 920 532	386 187 839
<b>TOTAL</b>	<b>800 701 712</b>	<b>624 486 267</b>

#### 14. Trade receivables, net

EGP	September 30, 2023	December 31, 2022
Trade receivables	178 130 615	82 767 595
Less: Expected credit loss*	(4 990 620)	(3 212 720)
<b>TOTAL</b>	<b>173 139 995</b>	<b>79 554 875</b>

\*The movement during the year represents the formed amount for the expected credit losses at the condensed consolidated statement of profit or loss amounted to EGP 1 777 900.

#### 15. Debtors and other debit balances, net

EGP	September 30, 2023	December 31, 2022
Advance to suppliers	62 535 686	109 629 286
Withholding tax	30 657 579	19 932 531
Prepaid expenses	11 675 494	8 245 720
Value added tax	2 981 851	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	79 316 179	79 316 179
Employees' dividends in advance	7 902 932	7 063 780
Letters of guarantee – cash margin	2 251 851	2 903 851
Cash imprest fund	6 738 881	5 579 582
Other debit balances	692 228	391 468
Less: Impairment losses in debtors	(2 196 090)	(2 196 090)
<b>TOTAL</b>	<b>204 128 718</b>	<b>235 320 162</b>



#### 16. Cash and bank balances

EGP	September 30, 2023	December 31, 2022
Cash in hand	3 508 143	3 146 331
Current account – local currency	100 720 658	575 266 143
Current account – foreign currency	89 454 069	112 335 882
Bank deposits	99 191 802	127 693 666
<b>Total</b>	<b>292 874 672</b>	<b>818 442 022</b>

#### 17. Capital

EGP	September 30, 2023	December 31, 2022
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
<b>Issued capital</b>	<b>757 479 400</b>	<b>757 479 400</b>

#### 18. Legal reserve

In accordance with the Companies Law No.159 of 1981 and the Company's Articles of Incorporation, 10% of annual net profit is transferred to legal reserve. The entity shall cease such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders. The applied percentage of legal reserve is as follow:

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

#### 19. Non-controlling interests

EGP	September 30, 2023	December 31, 2022
Balance at beginning of period	38 121	38 681
Profit / (loss) attributable to non-controlling interest	10 354	(560)
<b>Balance at end of period</b>	<b>48 475</b>	<b>38 121</b>

#### 20. Borrowings

EGP	Current		Non-current	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>First: Credit facilities</b>				
Credit facilities – CIB	94 934 387	162 164 643	--	--
Credit facilities – NBE	8 381	198 479 562	--	--
<b>Total Facilities</b>	<b>94 942 768</b>	<b>360 644 205</b>	<b>--</b>	<b>--</b>
<b>Second: Bank loans</b>				
Bank loans - CIB	--	56 100 000	--	96 900 000
Bank loans - EBRD	--	107 434 780	--	80 576 090
<b>Total bank Loans</b>	<b>--</b>	<b>163 534 780</b>	<b>--</b>	<b>177 476 090</b>

## 21. Trade and notes payable

EGP	Current		Non-current	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Local trade payables	359 589 305	538 068 704	--	--
Foreign trade payables	562 067 964	306 432 404	--	--
Notes payable*	2 830 148	3 066 177	2 450 463	4 544 514
<b>Total</b>	<b>924 487 417</b>	<b>847 567 285</b>	<b>2 450 463</b>	<b>4 544 514</b>

\* The value of the notes payable represents the value of the checks issued in favour of City Gas, which resulted from the settlement of the previous dispute with the company regarding the differences in gas consumption, and a settlement in 2020 agreement was reached whereby the company charged EGP 19 847 553, which was paid with notes payables until 2025 recognized at net present value. The undiscounted value of the notes payables obligation at the end of the period amounted to EGP 7 847 553.

## 22. Provision for claims

EGP	
Balance at January 1, 2023	63 871 019
Formed during the period	9 721 195
Provisions used during the period	(24 358 425)
<b>Balance at September 30, 2023</b>	<b>49 233 789</b>

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

## 23. Creditors and other credit balances

EGP	September 30, 2023	December 31, 2022
Advances from customers	78 481 256	140 386 136
Accrued development fees	7 594 569	10 433 957
Accrued customers rebates	74 717 425	74 784 633
Accrued expenses	32 689 012	22 914 785
Retention	4 830 301	4 830 301
Accrued interest	--	2 759 721
Accrued taxes	37 844 527	27 009 775
Accrued revenue – Grant	11 270 293	12 193 446
Other	2 727 828	3 689 246
<b>TOTAL</b>	<b>250 155 211</b>	<b>299 002 000</b>

## 24. Related parties' transactions

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

EGP	Nature of relationship	Nature of transaction	Amount of transaction	
			September 30, 2023	September 30, 2022
Andalus Reliance for Mining Company	Joint Venture	Purchases	--	15 281 235
Cementos La Union – Spain Company	Subsidiary of the parent	Services	3 815 574	2 231 051
		Sales	--	37 372 288



Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
For the nine-months ended September 30, 2023

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

EGP	Due from related parties		Due to related parties	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cementos la Union – Spain Company	95 368	76 140	--	--
Andalus Reliance for Mining Company	--	--	--	369 246
<b>Total</b>	<b>95 368</b>	<b>76 140</b>	<b>--</b>	<b>369 246</b>

25. Lease contract

25.1 Right of Use

EGP	Land and buildings	Machinery & Equipment	Total
<u>Cost</u>			
Cost as of January 1, 2023	23 415 587	16 900 557	40 316 144
Additions	7 400 647	--	7 400 647
Disposals	(928 837)	--	(928 837)
<b>Cost as of September 30, 2023</b>	<b>29 887 397</b>	<b>16 900 557</b>	<b>46 787 954</b>
<u>Less: - Accumulated amortization</u>			
Accumulated amortization as of January 1, 2023	10 423 521	16 900 557	27 324 078
Amortization for the period	5 032 848	--	5 032 848
Accumulated amortization of disposals	(328 963)	--	(328 963)
<b>Total accumulated amortization as of September 31, 2023</b>	<b>15 127 406</b>	<b>16 900 557</b>	<b>32 027 963</b>
<b>Net book value September 30, 2023</b>	<b>14 759 991</b>	<b>--</b>	<b>14 759 991</b>
<b>Net book value December 31, 2022</b>	<b>12 992 066</b>	<b>--</b>	<b>12 992 066</b>

25.2 Lease liabilities

Lease liabilities recognized in the condensed consolidated statement of financial position

EGP	Current		Non-current	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Lease liabilities	8 692 639	6 411 505	7 755 040	6 724 129
<b>TOTAL</b>	<b>8 692 639</b>	<b>6 411 505</b>	<b>7 755 040</b>	<b>6 724 129</b>

\* The lease interest cost during period amounted to EGP 894 854 (refer to note 6)

Amount EGP	September 30, 2023	December 31, 2022
Beginning balance	13 135 634	16 546 118
Additions	7 400 643	928 837
Interest expenses	894 854	1 059 210
Disposals	(599 870)	--
Repayment of lease liabilities	(4 383 582)	(5 398 531)
<b>Ending Balance</b>	<b>16 447 679</b>	<b>13 135 634</b>

**27. Significant Events during the period**

- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on March 30, 2023, to increase the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points to reach 18.25%, 19.25% and 18.75%, respectively. The discount rate was also increased by 200 basis points to 18.75%.
- On March 6, 2023, Prime Minister Decision No. (883) of 2023 was issued to amend and re-issue some provisions of the Egyptian Accounting Standards. The following is a summary of these amendments:

New Standards or amended standards	Summary of significant amendments	Probable effect on consolidated financial statements	Effective date
<p>Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".</p>	<p>These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets.</p> <p>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:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors".</li> <li>- Egyptian Accounting Standard No. (24) "Income Taxes"</li> <li>- Egyptian Accounting Standard No. (30) "Interim Financial Reporting"</li> <li>- Egyptian Accounting Standard No. (31) "Impairment of Assets"</li> <li>- Egyptian Accounting Standard No. (49) "Leasing Contracts"</li> </ul>	<p>Management decided not to apply the optional fair value model option stated in the standard</p>	<p>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.</p>
<p>Egyptian Accounting Standard No. (34) amended 2023 "Investment property".</p>	<p>This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property.</p> <p>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:</p>	<p>The standard has no impact on the consolidated financial statements</p>	<p>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</p>



Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
For the nine-months ended September 30, 2023

	<p>- Egyptian Accounting Standard No. (1) "Presentation of Financial Statements"</p> <p>- Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors".</p> <p>- Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"</p> <p>- Egyptian Accounting Standard No. (24) "Income Taxes"</p> <p>- Egyptian Accounting Standard No. (30) "Interim Financial Reporting "</p> <p>- Egyptian Accounting Standard No. (31) "Impairment of Assets"</p> <p>- Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations"</p> <p>- Egyptian Accounting Standard No. (49) "Leasing Contracts"</p>		<p>financial period in which the company applies this model for the first time.</p>
<p>Egyptian Accounting Standard No. (36) amended 2023"</p> <p>Exploration for and Evaluation of Mineral Resources"</p>	<p>This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.</p>	<p>The standard has no impact on the consolidated financial statements</p>	<p>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.</p>

Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
For the nine-months ended September 30, 2023

<p>Egyptian Accounting Standard No. (35) amended 2023 "Agriculture"</p>	<p>This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).</p> <p>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. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</p>	<p>The standard has no impact on the consolidated financial statements.</p>	<p>These amendments are effective for annual financial periods starting on 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.</p>
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts"</p>	<p>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.</p> <p>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.</p>	<p>Management is currently evaluating the potential impact on the consolidated financial statements from the application of the standard.</p>	<p>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</p>

Arabian Cement Company S.A.E.  
Condensed consolidated interim financial statements  
For the nine-months ended September 30, 2023

	<p>Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>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:</p> <ul style="list-style-type: none"><li>- Egyptian Accounting Standard No. (10) "Fixed Assets".</li><li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li><li>- Egyptian Accounting Standard No. (34) " Investment property".</li></ul>		
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**Sergio Alcantarilla Rodriguez**  
Chief Executive Officer



**Arturo Gallart Mauri**  
Chief Financial Officer