

Arabian Cement Company S.A.E.

Condensed separate interim financial statements

Together with limited review report

For the three months ended March 31, 2022

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Limited Review Report
For the Condensed Separate 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 separate interim financial position of Arabian Cement Company - An Egyptian Joint Stock Company - as of March 31, 2022 and the related condensed separate statements of profits or losses, comprehensive income, changes in equity and cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Cairo, May 19, 2022



Arabian Cement Company S.A.E.
Condensed Separate statement of financial position
At March 31, 2022

EGP	Notes	March 31, 2022	December 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment (Net)	10	1 944 872 392	1 994 319 312
Assets under construction	11	3 261 312	3 261 312
Intangible assets (Net)	12	212 481 977	219 424 613
Right of use	26-1	16 193 412	17 550 790
Investments in subsidiaries	13	47 476 057	47 476 057
Investments in a joint venture	14	125 000	125 000
TOTAL NON-CURRENT ASSETS		2 224 410 150	2 282 157 084
CURRENT ASSETS			
Inventories	15	298 739 040	362 789 722
Trade Receivables	16	--	12 292 593
Debtors and other debit balances (net)	17	250 777 864	139 029 306
Due from related parties	25	54 960 653	17 668 523
Cash and bank balances	18	248 179 273	117 292 968
TOTAL CURRENT ASSETS		852 656 830	649 073 112
TOTAL ASSETS		3 077 066 980	2 931 230 196

- Limited review report is attached

Arabian Cement Company S.A.E.
Condensed Separate statement of financial position
At March 31, 2022

EGP	Notes	March 31, 2022	December 31, 2021
EQUITY			
CAPITAL AND RESERVES			
Issued and paid-up capital	19	757 479 400	757 479 400
Legal reserve	20	260 452 502	257 740 154
Retained earnings		101 393 355	57 749 903
TOTAL EQUITY		1 119 325 257	1 072 969 457
NON-CURRENT LIABILITIES			
Borrowings	22	259 858 698	272 760 907
Deferred tax liabilities	8-3	294 405 454	299 493 767
Lease Liability	26-2	6 361 561	6 979 776
Notes Payables	21	6 813 496	7 610 691
TOTAL NON-CURRENT LIABILITIES		567 439 209	586 845 141
CURRENT LIABILITIES			
Trade payables	21	615 018 709	656 839 369
Credit facilities	22	40 155 699	240 386 963
Current income tax payable	8-2	96 898 691	42 189 962
Current portion of long-term borrowings	22	128 189 129	114 334 781
Lease liability	26-2	9 916 454	9 566 342
Creditors and other credit balances	24	448 258 777	173 209 979
Due to related parties	25	1 756 298	10 450 379
Provisions	23	50 108 757	24 437 823
TOTAL CURRENT LIABILITIES		1 390 302 514	1 271 415 598
TOTAL LIABILITIES		1 957 741 723	1 858 260 739
TOTAL EQUITY AND LIABILITIES		3 077 066 980	2 931 230 196

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer

Salvador Cabañas Lopez
Chief Financial Officer

Arabian Cement Company S.A.E.
Condensed Separate statement of profit or loss
For the three months ended March 31, 2022

EGP	Notes	March 31, 2022	March 31, 2021
Sales revenue	3	1 020 325 029	413 992 597
Cost of sales	4	(788 777 578)	(376 115 747)
GROSS PROFIT		231 547 451	37 876 850
General and administration expenses	5	(32 279 136)	(22 916 213)
Provisions	23	(46 595 423)	(350 000)
Interest income		126 472	73 314
Other income		15 690 455	3 390 860
Finance costs	6	(14 483 869)	(17 781 650)
Foreign currency exchange differences		(51 102 296)	845 237
PROFIT FOR THE PERIOD BEFORE TAX		102 903 654	1 138 398
Income tax expense	1-8	(49 620 414)	(5 532 904)
PROFIT / (Loss) FOR THE PERIOD AFTER TAX		53 283 240	(4 394 506)
Earnings / Losses per share (Basic and diluted)			
Basic and diluted (EGP / Share)	9	0.14	(0.02)

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer

Salvador Cabañas Lopez
Chief Financial Officer

Arabian Cement Company S.A.E.
Condensed Separate statement of comprehensive income
For the three months ended March 31, 2022

EGP	March 31, 2022	March 31, 2021
PROFIT / Loss FOR THE PERIOD, NET OF INCOME TAX	53 283 240	(4 394 506)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	--	--
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	53 283 240	(4 394 506)

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Salvador Cabañas Lopez
Chief Financial Officer



Arabian Cement Company S.A.E.
Condensed Separate statement of changes in equity
For the three months ended March 31, 2022

EGP	Issued and Paid-up capital	Legal reserve	Retained earnings	Total
Balance at January 1, 2021	757 479 400	257 740 154	37 734 467	1 052 954 021
Dividends	--	--	(7 108 042)	(7 108 042)
Total comprehensive income for the period	--	--	(4 394 506)	(4 394 506)
Balance at March 31, 2021	757 479 400	257 740 154	26 231 919	1 041 451 473
Balance at January 1, 2022	757 479 400	257 740 154	57 749 903	1 072 969 457
Transfer to legal reserve	--	2 712 348	(2 712 348)	--
Dividends to employees	--	--	(6 927 440)	(6 927 440)
Total comprehensive income for the period	--	--	53 283 240	53 283 240
Balance at March 31, 2022	757 479 400	260 452 502	101 393 355	1 119 325 257

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer

Salvador Cabañas Lopez
Chief Financial Officer

Arabian Cement Company S.A.E.
Condensed Separate statement of cash flows
For the three months ended March 31, 2022

EGP	Notes	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		102 903 654	1 138 398
Adjusted by:			
Finance costs recognized in profit or loss	6	14 483 869	17 781 650
Interest income		(126 472)	(73 314)
Depreciation of property, plant and equipment	10	50 092 522	50 501 471
Amortization of intangible assets	12	6 942 636	9 620 445
Amortization of right of use assets	26-1	1 357 378	--
Unrealized foreign exchange Loss / (gain) differences		28 260 869	(456 522)
Provisions formed	23	46 595 423	350 000
Decrease in inventories		64 050 682	45 509 636
(Increase) in debtors and other debit balances		(111 748 558)	(13 861 300)
(Increase)/ Decrease in due from related parties		(37 292 130)	2 466 048
Decrease in trade receivables		12 292 593	--
Increase/(Decrease) in creditors and other credit balances		274 982 565	(38 628 083)
(Decrease) in trade payables		(42 617 855)	(46 394 811)
(Decrease) / Increase in due to related parties		(8 694 081)	1 119 479
Provision used		(20 924 489)	--
Cash generated by operations		380 558 606	29 073 097
Interest paid		(14 067 499)	(17 982 508)
Net cash generated by operating activities		366 491 107	11 090 589

Arabian Cement Company S.A.E.
Condensed Separate statement of cash flow
For the three months ended March 31, 2022

EGP	Notes	March 31, 2022	March 31, 2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	10	(645 602)	(305 023)
Interest income		126 472	73 314
Cash (used in) investing activities		(519 130)	(231 709)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(27 308 730)	(22 241 304)
(Payments) / Proceeds from credit facilities		(200 231 264)	32 437 586
Repayment of other liabilities		--	(1 656 130)
Dividends distribution		(6 927 440)	--
Payments of finance lease liability		(618 238)	--
Cash (used in) generated by financing activities		(235 085 672)	8 540 152
Net increase in cash and cash equivalents		130 886 305	19 399 032
Cash and cash equivalents at the beginning of the period		117 292 968	51 720 149
Cash and cash equivalents at the end of the period	18	248 179 273	71 119 181

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer

Salvador Cabañas Lopez
Chief Financial Officer

1. The Company's general information

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

The Company was registered at the Commercial Register under No. 13105 in Cairo on April 3, 2005, which was changed to No. 53445 on August 16, 2011 as the Company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza- Egypt. The admin office 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 Company produces cement with a clinker capacity of 4.2 million tonnes per annum that can produce 5 million tonnes per annum of cement.

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

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

The condensed separate interim financial statements were approved by the Board of Directors and authorized for issue on May 19, 2022.

2. Significant accounting policies

2.1 Statement of compliance

The condensed separate interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) Interim financial reporting. These condensed separate interim financial statements do not include all the information required in the preparation of the full set annual separate financial statements and must be read in conjunction with the annual separate financial statements as of December 31, 2021.

2.2 Basis of preparation

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

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

Arabian Cement Company S.A.E
Condensed separate interim financial statements
Together with limited review Report
For the three months ended March 31, 2022

3. Sales revenue

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

EGP	March 31, 2022	March 31, 2021
Local sales	881 312 400	362 018 009
Export sales	80 000 357	33 948 765
Services	59 012 272	18 025 823
TOTAL	1 020 325 029	413 992 597

4. Cost of sales

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

EGP	March 31, 2022	March 31, 2021
Raw material	646 375 137	280 842 129
Manufacturing depreciation	49 509 801	49 953 580
Electricity supply agreement amortization	6 942 636	9 620 445
Right of use amortization	1 357 377	--
Transportation cost	50 330 589	9 093 158
Overhead cost	34 262 038	26 606 435
TOTAL	788 777 578	376 115 747

5. General and administration expenses

An analysis of the Company's general and administration expenses for the period is as follows:

EGP	March 31, 2022	March 31, 2021
Professional services	13 533 347	10 179 727
Salaries and wages	7 905 502	6 797 050
Security and cleaning services	258 046	235 515
Rentals	18 881	464 811
Transportation	554 945	226 145
Advertising	656 210	813 715
Depreciation expenses	582 721	547 892
Other	8 769 484	3 651 358
TOTAL	32 279 136	22 916 213

6. Finance costs

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

EGP	March 31, 2022	March 31, 2021
Loan interest expense	7 730 629	9 226 603
Electricity agreement interest expense	--	572 750
Finance lease interest	350 135	--
Other finance cost	113 120	509 575
Credit facilities interest expense	6 289 985	7 472 722
TOTAL	14 483 869	17 781 650

7. Compensation of key management personnel *

An analysis of the Company's Compensation of key management personnel for the period is as follows:

EGP	March 31, 2022	March 31, 2021
Board of Directors allowance	2 039 904	2 042 070
Board of Directors salaries	2 455 440	2 458 040
TOTAL	4 495 344	4 500 110

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

8. Income taxes

8.1 Income tax recognised in profit or loss

EGP	March 31, 2022	March 31, 2021
CURRENT TAX		
Current tax expense for the current period	54 708 727	9 580 775
DEFERRED TAX		
Deferred tax (income) recognized in the current period	(5 088 313)	(4 047 871)
TOTAL INCOME TAX EXPENSE RECOGNIZED IN THE CURRENT PERIOD	49 620 414	5 532 904

8.2 Current tax liabilities

EGP	March 31, 2022	December 31, 2021
Current tax expense (note 8.1)	96 898 691	42 189 962
CURRENT TAX LIABILITIES	96 898 691	42 189 962

8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

March 31, 2022	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	(299 493 767)	5 088 313	(294 405 454)
NET DEFERRED TAX LIABILITY	(299 493 767)	5 088 313	(294 405 454)
December 31, 2021			
EGP			
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	(321 893 851)	22 400 084	(299 493 767)
NET DEFERRED TAX LIABILITY	(321 893 851)	22 400 084	(299 493 767)

9. Earnings per share

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

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

EGP	March 31, 2022	March 31, 2021
EARNINGS (for basic and diluted earnings per share)		
Profit / Loss for the period	53 283 240	(4 394 506)
Employees' share in distributable profits (note 17)	(1 689 337)	(1 782 152)
Distributable profit / (loss)	51 593 903	(6 176 658)
NUMBER OF SHARES (for basic and diluted earnings per share)		
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700
EARNINGS / LOSSES PER SHARE	0.14	(0.02)

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10. Property, plant and equipment (Net)

EGP	Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST								
Balance at January 1, 2021	50 243 436	633 139 535	27 691 784	2 849 783 583	14 998 065	302 171 628	20 776 284	3 898 804 315
Additions	--	--	23 163	--	--	216 000	65 860	305 023
Balance at March 31, 2021	50 243 436	633 139 535	27 714 947	2 849 783 583	14 998 065	302 387 628	20 842 144	3 899 109 338
Balance at January 1, 2022	50 243 436	658 393 762	27 947 207	2 855 598 819	15 069 515	302 387 628	21 459 451	3 931 099 818
Additions	--	--	21 165	87 297	--	--	537 140	645 602
Balance at March 31, 2022	50 243 436	658 393 762	27 968 372	2 855 686 116	15 069 515	302 387 628	21 996 591	3 931 745 420
ACCUMULATED DEPRECIATION								
Balance at January 1, 2021	--	263 902 811	15 476 390	1 279 406 452	8 143 420	136 451 836	19 844 429	1 723 225 338
Depreciation expense	--	7 034 630	901 293	37 929 793	369 544	4 087 864	178 347	50 501 471
Balance at March 31, 2021	--	270 937 441	16 377 683	1 317 336 245	8 512 964	140 539 700	20 022 776	1 773 726 809
Balance at January 1, 2022	--	301 771 957	18 834 984	1 433 259 629	9 565 335	152 884 838	20 463 763	1 936 780 506
Depreciation expense	--	6 952 218	664 303	38 001 965	315 054	3 891 316	267 666	50 092 522
Balance at March 31, 2022	--	308 724 175	19 499 287	1 471 261 594	9 880 389	156 776 154	20 731 429	1 986 873 028
CARRYING AMOUNT								
At March 31, 2022	50 243 436	349 669 587	8 469 085	1 384 424 522	5 189 126	145 611 474	1 265 162	1 944 872 392
At March 31, 2021	50 243 436	362 202 094	11 337 264	1 532 447 338	6 485 101	161 847 928	819 368	2 125 382 529
At December 31, 2021	50 243 436	356 621 805	9 112 223	1 419 635 320	5 504 180	149 502 790	995 688	1 994 319 312

- On February 24, 2019 There is a cancellation for the first-degree commercial and real estate mortgage for the benefit of the National Bank of Egypt, The management currently in the process of the procedures for change mortgage to be in favour of the Commercial International Bank (CIB) (Security agent).

- According to the loans contracts granted by the Commercial international bank (Security agent) , the Company insured for the benefit of the bank an insurance policy against all potential risks on the Company's factory and the production lines, in favour for the bank as it's the (Security agent) , and the bank is the first and only beneficiary of this policy.

11. Projects under construction

EGP	March 31, 2022	December 31, 2021
Balance as of January 1	3 261 312	6 563 562
Transfer to fixed assets	--	(2 703 870)
Adjustments	--	(598 380)
TOTAL	3 261 312	3 261 312
Assets under construction are represented in the following categories:		
Machinery and equipment	3 261 312	3 261 312
TOTAL	3 261 312	3 261 312

12. Intangible assets (Net)

EGP	Operating license	Electricity contract	Total
<u>Cost</u>			
Cost as of January 1 , 2022	563 204 713	225 200 000	788 404 713
Additions during period	--	--	--
Cost as of March 31, 2022	563 204 713	225 200 000	788 404 713
<u>Accumulated amortization</u>			
Accumulated amortization as of January 1, 2022	(343 780 100)	(225 200 000)	(568 980 100)
Amortization for the period	(6 942 636)	--	(6 942 636)
Total accumulated amortization as of March 31, 2022	(350 722 736)	(225 200 000)	(575 922 736)
Net book value March 31,2022	212 481 977	--	212 481 977
Net book value December 31,2021	219 424 613	--	219 424 613

Operating license

As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 281.4 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months according to interest rate determined by Central Bank of Egypt (CBE).

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

On 22 January 2015, the Industrial Development Authority (IDA) accepted to receive EGP 8 million on a monthly basis until the legal dispute with the company is resolved, which is currently at the court.

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Electricity contract

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

15% advance payment equivalent to EGP 32.58 million.

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

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

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

13. Investments in subsidiaries

The Company has control over all the subsidiaries as listed below:

Company name EGP	Domicile	Share/ paid- in capital	March 31, 2022	December 31, 2021	Principal activities	Proportion of ownership interest and voting power held by the Company
Andalus Concrete Company	Egypt	%99.99	30 926 807	30 926 807	Concert products, mainly ready mix	99.99%
Evolve Investment & Projects Management Company	Egypt	%99.99	16 499 750	16 499 750	Alternative fuel and recycling	99.99%
ACC for Management and Trading Company	Egypt	%99.99	49 500	49 500	Providing managerial services	99%
TOTAL			47 476 057	47 476 057		

14. Investments in joint venture

Details of the Company's joint venture at the end of the reporting period are as follows:

Name of joint venture	Place of incorporation	Proportion of ownership interest and voting power held by the company	EGP	
			March 31, 2022	December 31, 2021
Andalus Reliance for Mining Company	Egypt	50%	125 000	125 000
TOTAL			125 000	125 000

15. Inventories

EGP	March 31, 2022	December 31, 2021
Raw materials	67 420 428	61 649 387
Packing materials	9 649 557	7 133 235
Spare parts	9 629 988	9 690 202
Work in progress	3 111 855	2 230 592
Finished goods	208 927 212	282 086 306
TOTAL	298 739 040	362 789 722

16. Trade Receivables

EGP	March 31, 2022	December 31, 2021
Trade Receivables	--	12 292 593
Total	--	12 292 593

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17. Debtors and other debit balances

EGP	March 31, 2022	December 31, 2021
Advance to suppliers	140 408 248	21 433 885
Withholding tax	20 497 769	18 193 239
Value added tax	--	6 782 626
Real estate tax	1 572 127	1 572 127
Deposit with others	79 316 179	79 568 635
Employees' dividends in advance	1 689 338	6 927 441
Letters of guarantee – cash margin	2 599 050	1 564 049
Cash imprest	2 861 412	2 457 775
Other debit balances	3 441 549	2 137 337
Less:- Expected credit loss	(1 607 808)	(1 607 808)
TOTAL	250 777 864	139 029 306

18. Cash and bank balances

EGP	March 31, 2022	December 31, 2021
Cash on hand	2 782 987	1 674 655
Current account – local currency	27 402 266	36 829 760
Current account – foreign currency	95 802 248	9 698 712
Bank deposits	122 191 772	69 089 841
Total	248 179 273	117 292 968

19. Capital

EGP	March 31, 2022	December 31, 2021
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued capital	757 479 400	757 479 400

20. Legal reserve

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

Arabian Cement Company S.A.E
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21. Trade and notes payable

EGP	Current		Non-current	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Local trade payable	355 833 134	382 112 281	--	--
Foreign trade payable	255 864 138	271 315 966	--	--
Notes payable	3 321 437	3 411 122	6 813 496	7 610 691
Total	615 018 709	656 839 369	6 813 496	7 610 691

22. Borrowings

EGP	Current		Non-current	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
First: Credit facilities				
Credit facilities – CIB	40 155 699	240 386 963	--	--
Total Facilities	40 155 699	240 386 963	--	--
Second: Bank loans				
Bank loans – CIB	48 450 000	45 900 000	140 250 000	153 000 000
Bank loans – EBRD	79 739 129	68 434 781	119 608 698	119 760 907
Total bank Loans	128 189 129	114 334 781	259 858 698	272 760 907

23. Provisions

EGP	Provision for claims
Balance at January 1, 2022	24 437 823
Additional provisions recognized	46 595 423
Provisions used during the period	(20 924 489)
Balance at March 31, 2022	50 108 757

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

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24. Other Creditors and other credit balances

EGP	March 31, 2022	December 31, 2021
Advances from customers	338 599 780	67 317 657
Accrued expenses	13 327 079	11 700 407
Accrued development fees	11 496 894	11 290 171
Accrued customers rebates	23 643 995	54 422 249
Accrued taxes	41 612 744	8 715 319
Accrued interest	1 493 579	1 427 344
Deferred Revenue – Grant	12 988 374	13 240 502
Retention	5 096 332	5 096 330
TOTAL	448 258 777	173 209 979

25. Related party transactions

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

EGP	Relation type	Transaction nature	Volume of the transactions	
			March 31, 2022	March 31, 2021
Andalus Concrete Company	Subsidiary	Sales	7 618 648	--
ACC for Management and Trading Company	Subsidiary	Services	16 765 893	11 390 299
Evolve	Subsidiary	Purchases	10 255 388	560 648
Andalus Reliance for Mining Company	Joint Venture	Purchases	7 360 196	3 908 200
Cementos La Union –Spain Company	Subsidiary of the parent	Services Sales	8 399 650 29 987 534	-- --

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

EGP	Due from related parties		Due to related parties	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Andalus Concrete Company	12 291 549	13 075 840	--	--
Evolve Investment & Projects Management Company	3 451 799	2 681 124	--	--
ACC for Management and Trading Company	2 631 754	1 911 559	--	--
Cementos La Union – Spain Company	36 585 551	--	--	2 229 273
Andalus Reliance for Mining Company	--	--	1 756 298	8 221 106
TOTAL	54 960 653	17 668 523	1 756 298	10 450 379

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- Andalus Concrete Company purchases cement materials and products from Arabian Cement Company, which are used for manufacturing and trading concrete and construction materials.
- ACC for Management and Trading Company renders managerial services for Arabian Cement Company.
- Cementos La Union – Spain renders technical support services for Arabian Cement Company.
- Andalus Reliance for Mining Company supplied the raw materials for Arabian Cement Company.
- Evolve Company supplied alternative fuel for Arabian Cement Company.

26 Lease contracts

26.1 Right of Use

EGP	Land and buildings	Total
Cost		
Cost as of January 1, 2022	22 486 750	22 486 750
Additions during period	--	--
Cost as of March 31, 2022	22 486 750	22 486 750
Less: - Accumulated amortization		
Accumulated amortization as of January 1, 2022	4 935 960	4 935 960
Amortization for the period	1 357 378	1 357 378
Total accumulated amortization as of March 31, 2021	6 293 338	6 293 338
Net book value March 31, 2022	16 193 412	16 193 412
Net book value December 31, 2021	17 550 790	17 550 790

The interest rate used is 9.25% and the lease term is between 2 and 5 years

26.2 Financial lease liability

Financial lease liability recognized in the statement of financial position

EGP	Current		Non-current	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
lease liability	9 916 454	9 566 342	6 361 561	6 979 776
TOTAL	9 916 454	9 566 342	6 361 561	6 979 776

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The lease interest cost during period amounted to EGP 350 135 (refer to note 6).

Amount EGP	March 31, 2022	December 31, 2021
Beginning balance	16 546 118	--
Additions	--	19 998 237
Interest expenses	350 135	2 488 513
Repayment of finance leasing	(618 238)	(5 940 632)
Ending Balances	16 278 015	16 546 118

27. Significant Events during the current period

The Monetary Policy Committee decided in its exception meeting on Monday, March 21, 2022, to increase the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 100 main point to be 9.25%, 10.25%, and 9.75%, respectively. The discount rate was also increased by 100 main point to be 9.75%.

During March 2022, the Central Bank of Egypt moved the exchange rate of the Egyptian pound against the US dollar, and this move resulted in decreasing the value of the Egyptian pound against the US dollar by more than 18%, which resulted in the companies that have significant outstanding liabilities in foreign currency being affected by huge losses as a result of re-translation these balances according to the exchange rate after movement.

28. Significant Events during the Subsequent period

On April 27, 2022, Prime Minister Decree 1568 of 2022 was issued to amend some provisions of the Egyptian Accounting Standards by adding Annex (B) to the amended Egyptian Accounting Standard No. (13) 2015 Effects of changes in foreign exchange rates, which includes a special accounting treatment to deal with the effects of Moving foreign exchange rates. Currently, the company is studying the impact of applying this standard on the company's financial statements.

Sergio Alcantarilla Rodriguez
 Chief Executive Officer

Salvador Cabañas Lopez
 Chief Financial Officer