

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED SEPARATE
FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

**Interim condensed separate financial statements
For the nine-month period ended 30 September 2023**

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Limited review report on the interim condensed separate financial statements

To the Board of Directors of Middle East Glass Manufacturing Company (S.A.E.)

Introduction

We have conducted a limited review for the accompanying interim condensed separate statement of financial position of Middle East Glass Manufacturing Company (S.A.E.) (the "Company") as of 30 September 2023 and the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate financial statements in accordance with Egyptian Accounting Standard 30 "Interim financial statements", and our responsibility is to express a conclusion on these interim condensed separate financial statements based on our limited review.

Scope of limited review

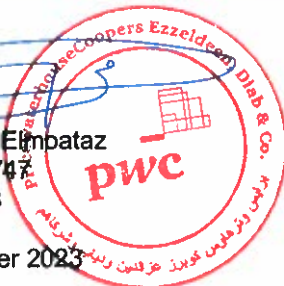
We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 condensed separate financial statements.

Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim financial statements".

Mohamed Elmpataz
R.A.A. 12747
F.R.A. 133

7 November 2023
Cairo




MIDDLE EAST GLASS MANUFACTURING COMPANY S.A.E.
INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2023


(All amounts in Egyptian Pounds)

	Note	30 September 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	4	735,249,666	431,086,726
Prepayments of property, plant and equipment		10,041,595	32,397,897
Intangible assets		676,234	864,214
Investment in subsidiaries		631,882,817	631,882,817
Deferred tax assets		41,262,239	36,809,838
Total non-current assets		1,419,112,551	1,133,041,492
Current assets			
Inventory		114,164,858	105,743,946
Trade and other receivables	5	936,997,688	790,779,104
Cash and cash equivalents		266,984,255	88,939,803
Total current assets		1,318,146,801	985,462,853
Total assets		2,737,259,352	2,118,504,345
Equity			
Issued and paid-up capital		62,627,993	62,627,993
Reserves		674,052,337	674,052,337
Retained earnings		406,740,381	434,029,662
Total equity		1,143,420,711	1,170,709,992
Liabilities			
Non-current liabilities			
Bank Borrowings - non-current portion	7/b	423,402,136	387,549,144
Retirement benefits obligations		14,571,718	11,322,608
Total non-current liabilities		437,973,854	398,871,752
Current liabilities			
Provisions		27,248,266	18,441,708
Trade and other payables	6	753,611,577	240,218,785
Income tax liability		-	30,320,731
Bank Borrowings - current portion	7/a	339,920,771	244,347,023
Interest payable		35,084,173	15,594,354
Total current liabilities		1,155,864,787	548,922,601
Total liabilities		1,593,838,641	947,794,353
Total equity and liabilities		2,737,259,352	2,118,504,345

- The accompanying notes from 1 to 9 form an integral part of these interim condensed separate financial statements.
- Limited review report attached.


Mohamed Khalifa
Chief Financial Officer


Peter Carpenter
Director


Abdul Galil Beshar
Chairman

07 November-2023

MIDDLE EAST GLASS MANUFACTURING COMPANY S.A.E.
Interim Condensed Separate statement of profit or loss
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Note	Nine months ended 30 September		Three months ended 30 September	
		2023	2022	2023	2022
Revenue from contracts with customers		870,666,864	650,321,510	336,888,346	218,986,338
Cost of sales		(615,029,648)	(489,440,700)	(237,789,825)	(166,499,800)
Gross profit		255,637,216	160,880,810	99,098,521	52,486,538
Selling and marketing expenses		(23,523,791)	(16,709,860)	(8,599,468)	(5,793,970)
General and administrative expenses		(52,714,472)	(40,102,416)	(18,107,019)	(13,747,907)
Other operating income	3/a	33,427,695	91,917,185	6,119,776	5,246,569
Other operating expenses	3/b	(25,164,725)	(10,633,798)	(13,890,804)	(3,782,268)
Operating profit		187,661,923	185,351,921	64,621,006	34,408,962
Finance costs		(78,247,450)	(31,124,532)	(29,561,410)	(12,101,767)
Foreign exchange loss / gain		(120,450,586)	(87,469,534)	176,230	(16,154,849)
Finance income		6,222,803	2,488,722	3,588,467	806,990
Net finance costs		(192,475,233)	(116,105,344)	(25,796,713)	(27,449,626)
(Loss) profit before income tax		(4,813,310)	69,246,577	38,824,293	6,959,336
Income tax expense	3/c	(3,813,995)	(16,220,036)	(10,364,731)	(2,565,338)
Net (loss) / profit for the period		(8,627,305)	53,026,541	28,459,562	4,393,998
Basic (losses) earnings per share		(0.42)	0.80	0.17	(0.17)
Diluted (losses) earnings per share		(0.42)	0.62	0.17	(0.13)

- The accompanying notes from 1 to 9 form an integral part of these interim condensed separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY S.A.E.
Interim Condensed Separate statement of comprehensive income
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Nine months ended 30 September		Three months ended 30 September	
	2023	2022	2023	2022
Net (loss) profit for the period	(8,627,305)	53,026,541	28,459,562	4,393,998
Other comprehensive income	-	-	-	-
Total other comprehensive (loss) income for the period	(8,627,305)	53,026,541	28,459,562	4,393,998

- The accompanying notes from 1 to 9 form an integral part of these interim condensed separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY S.A.E.
Interim Condensed Separate statement of changes in equity
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Issued and paid up capital	Payment under capital increase	Reserves			Retained earnings	Total
			Share premium reserve	Other reserves	Legal reserve		
1 January 2022	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	455,993,850	1,149,648,861
Total other comprehensive income for the period	-	-	-	-	-	53,026,541	53,026,541
Profit share distribution to employees	-	-	-	-	-	(10,879,867)	(10,879,867)
30 September 2022	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	498,140,524	1,191,795,535
1 January 2023	62,627,993	-	629,609,334	13,129,007	31,313,996	434,029,662	1,170,709,992
Total other comprehensive loss for the period	-	-	-	-	-	(8,627,305)	(8,627,305)
Profit share distribution to employees	-	-	-	-	-	(18,661,976)	(18,661,976)
Balance at 30 September 2023	62,627,993	-	629,609,334	13,129,007	31,313,996	406,740,381	1,143,420,711

- The accompanying notes from 1 to 9 form an integral part of these interim condensed separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY S.A.E.
Interim Condensed separate statement of cash flows
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Note	30 September 2023	30 September 2022
Cash flows from operating activities			
Net (loss)/ profit for the period before tax		(4,813,310)	69,246,577
Adjusted by:			
Interest expense		77,134,060	31,124,533
Interest income		(6,222,803)	(2,488,722)
Depreciation and amortization		44,202,257	26,424,359
(Gain)/loss on sale of property and equipment		(119,927)	(557,642)
Provisions formed		11,970,803	-
Provision no longer required		(489,122)	-
Retirement benefit obligations provision		4,815,000	2,768,052
foreign exchange loss		120,450,586	87,469,534
Operating profit before changes in working capital		246,927,544	213,986,691
Change in working capital			
Inventories		(8,862,057)	(14,267,873)
Trade and other receivables		(108,768,962)	(197,718,602)
Trade and other payables		452,490,115	(44,687,151)
Provisions used		(2,723,099)	(3,337,447)
Cash flows generated from / (used in) operations		579,063,541	(46,024,382)
Payment of employees' retirement benefits		(1,565,890)	(1,910,977)
Interest paid		(60,630,407)	(21,120,608)
Income tax paid		(30,320,731)	(33,574,590)
Net cash flows generated from / (used in) operating activities		486,546,513	(102,630,557)
Cash flows from investing activities			
Purchase of property, plant and equipment		(317,290,410)	(98,824,781)
Proceeds from sale of property, plant and equipment		658,561	975,774
Advance payment for Property, plant and equipment suppliers		(9,069,139)	(39,736,964)
Payments for purchase of financial assets at amortized cost		(47,232,500)	(9,740,610)
Proceeds from matured financial assets at amortized cost		-	21,284,282
Interest income received		4,377,803	3,888,377
Cash flows used in investing activities		(368,555,685)	(122,153,922)
Cash flows from financing activities			
Repayments of bank borrowings		(60,541,903)	(35,744,363)
Proceeds from short-term credit facilities	7/a	71,518,027	51,691,054
Net cash generated from financing activities		10,976,124	15,946,691
Net increase / (decrease) in cash at banks		128,966,952	(208,837,788)
Cash at banks at beginning of the period		88,939,803	297,039,629
Cash at banks at end of the period		217,906,755	88,201,841

Cash and cash equivalents are represented as follows:

Cash at banks	217,906,755	88,201,841
Financial assets at amortized cost (with maturity less than 3 months)	49,077,500	-
Cash and cash equivalents at the end of the period	266,984,255	88,201,841

- The accompanying notes from 1 to 9 form an integral part of these interim condensed separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

1. General information

Middle East Glass Manufacturing Company S.A.E. (the "Company") was established in 1979 as an Egyptian joint stock Company under the provisions of Law No. 43 of 1974 as amended by Law No. 230 of 1989 and Law No. 8 of 1997, and is registered in the commercial register under number 193770 Cairo. The address of the Company's registered office is Nasr City, 6 Mokhayam El-Daem Street 6th District, Industrial Zone, Cairo – Arab Republic of Egypt.

The Company is listed on the Egyptian Stock Exchange (EGX).

The Company's main activity is manufacturing all kinds of glass containers and the acquisition of other entities that operate in the same field.

The ultimate parent of the Company is MENA Glass Holdings Limited with 52.90% ownership. The Company is ultimately controlled by Mr. Abdul Galil Beshar.

Users of these separate financial statements should read them with the Group's consolidated financial statements as of 30 September 2023 in order to obtain full information on the financial position, results of operations, its cash flow and changes in equity of the Group.

These interim condensed Separate financial statements were approved by the Board of Directors of the Company on **07 November 2023**

Percentage of ownership in subsidiaries

The company's ownership percentage in subsidiaries are shown below as of 30 September 2023 unless otherwise was noted, and the percentage of the Company's share of the companies is direct ownership of the ordinary shares of the paid-up capital only.

Subsidiaries	Location	Functional currency	Ownership interest held by the group 2023	Ownership interest held by the group 2022	Activity
Middle East Glass Containers Sadat	Egypt	Egyptian Pound	99.99992%	99.99992%	Manufacturing Glass Containers
MEG Misr for Glass MEG	Egypt	Egyptian Pound	99.99993%	99.99993%	Manufacturing Glass Containers

2. Basis of preparation of the interim condensed Separate financial statements

This interim condensed Separate financial statements for the nine-month reporting period ended 30 September 2023 has been prepared in accordance with Egyptian Accounting Standard 30 "Interim Financial Reporting".

This interim condensed Separate financial statement does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim condensed Separate financial statement is to be read in conjunction with the annual separate financial statements for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period.

Summary of material modifications of the Egyptian Accounting Standards effective from 1 January 2023

"Minister of Investment issued decree number (883) for the year 2023 on March 6, 2023, amending some provisions of the Egyptian Accounting Standards, which include new accounting standards and amendments to some existing standards. The most important amendments can be summarized as follows and will be applicable for financial periods starting on or after January 1, 2023. The company's management is currently evaluating the impact of implementing these amendments:

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

Accounting Standards	Amendment Summary	Application Date	The potential impact on the financial statements
EAS No. 10 "Fixed Assets and Its Depreciation"	<p>"Scope of the Standard" The standard has been altered to include bearer plants.</p> <p>"Measurement" - The option of revaluation model for fixed assets has been added to the current standard - The fair value of an asset is determined through revaluation and pricing experts who are registered in the Financial Regulatory Authority - Paragraph 20 / A has been added, according to which the facility must record the proceeds from the sale of any output produced during the delivery of the fixed asset to the condition necessary for it to be operable in the manner intended by the management within the profits or losses statement.</p> <p>"Disclosures" Some new disclosures have been added to the re-evaluation model</p>	The company can apply the amendments by adding the option of using the revaluation model to the financial periods starting on or after January 1, 2023, retroactively, with recording the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies it for the first time.	The standard has no impact on the financial statements.
Egyptian Accounting Standard No. 23 "Intangible Assets"	<p>"Scope of the standard" The scope of the intangible asset standard has been amended to include the rights held by the lessee under licensing agreements for items such as animation movies, video recordings, plays, manuscripts, patents, and copyrights.</p> <p>"Measurement" -An option of revaluation model for intangible assets have been added -The fair value is determined through an estimate made by experts specialized in evaluation and pricing among those registered in a register dedicated to that in the General Authority for Financial Supervision.</p> <p>"Disclosures" Some new disclosures related to the revaluation model have been added</p>	The company can apply the amendments by adding the option to use the revaluation model on the financial periods starting on or after January 1, 2023, retroactively, with recording of the cumulative effect of applying the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the facility applies this model for the first time.	The standard has no impact on the financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

Amendments to the Egyptian Accounting Standard No. (10) "Fixed Assets" and the Egyptian Accounting Standard No. (23) "Intangible Assets" related to depreciation and amortization	This amendment clarifies that it is not permissible to use the depreciation method that depends on the revenues generated from the operation that includes the depreciation of the asset, since the generation of revenues related to the asset reflects factors other than the consumption of the economic benefits related to the asset. It is possible to refute this assumption in limited cases related to intangible assets when there is a close correlation between the volume of revenue and the intangible asset.	Applies to financial periods beginning on or after January 1, 2023	The standard has no impact on the financial statements.
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The following Egyptian Accounting Standards have been amended to comply with the addition of the option to apply the revaluation model and the fair value model as mentioned in the above paragraphs.

Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" Egyptian Accounting Standard No. (5) "Accounting Policies" Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Currency Exchange Rates" Egyptian Accounting Standard No. (24) "Income Taxes" Egyptian Accounting Standard No. (31) "impairment of assets" Egyptian Accounting Standard No. (32) "non-current assets held for the purpose of sale and non-continuing operations."

3. Profit or loss information

a) Other operating income

	Nine-month period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
Accrued export incentives	9,871,875	8,731,198	3,543,919	2,862,781
Scrap sales	5,480,501	3,375,770	1,718,889	1,055,509
Gain on sale of fixed assets	119,927	557,641	-	789,471
Insurance recovery	-	45,031,542	-	-
Provision no longer required	489,122	-	5,287	-
Foreign currency exchange gain from operations	14,516,380	34,221,034	-	538,808
Other income	2,949,890	-	851,681	-
	33,427,695	91,917,185	6,119,776	5,246,569

3. Profit or loss information (continued)

b) Other operating expense

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

	Nine-month period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
Consultancy Fees	1,807,112	275,800	-	-
Social insurance contribution	2,633,266	1,768,589	994,336	595,065
Non-recurring production losses	3,135,573	2,214,190	1,681,602	240,125
Provision formed	13,599,540	-	9,777,731	-
ECL provision	-	1,071,522	-	177,629
Tax Differences	2,519,388	1,754,248	454,635	-
Loss on sale of fixed assets	-	-	23,934	-
Other expenses	1,469,846	3,549,449	958,566	2,769,449
	25,164,725	10,633,798	13,890,804	3,782,268

c) Income tax

	Nine-month period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
Income tax expense	(8,266,396)	(36,300,399)	(5,207,567)	(5,915,344)
Deferred income tax	4,452,401	20,080,363	(5,157,164)	3,350,006
	(3,813,995)	(16,220,036)	(10,364,731)	(2,565,338)
Effective tax rate	0%	23.42%	26.700%	36.86%

Income tax expense is recognised based on company results for the financial period. Accordingly, the average annual tax rate used for the period to 30 September 2023 is NIL compared to 23.42% for the nine-month ended 30 September 2022. The reason for this decrease during the period is due to the incurred losses during the period compared to the profit for the nine-month period ended 30 September 2022.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

4. Property, plant and equipment

	Land	Buildings	Machinery, equipment & moulds	Vehicles and transportation	Furniture & office equipment	Computers & Computer systems	Projects under construction	Total
31 December 2022								
Cost								
Balance at beginning of the year	35,195,055	51,221,147	504,782,815	11,764,305	2,268,916	11,873,797	7,696,937	624,802,972
Additions	7,067,386	229,686	40,112,485	2,030,002	498,842	897,636	227,486,719	278,322,756
Disposals	-	-	(11,555,815)	-	-	-	-	(11,555,815)
Transferred from projects under construction	-	-	657,125	-	-	-	(657,125)	-
Balance at the end of the year	42,262,441	51,450,833	533,996,610	13,794,307	2,767,758	12,771,433	234,526,531	891,569,913
Accumulated depreciation								
Balance at beginning of the year	-	(35,821,220)	(384,793,061)	(4,450,423)	(1,756,413)	(8,839,950)	-	(435,661,067)
Depreciation expense	-	(1,753,541)	(30,440,895)	(2,078,808)	(194,744)	(1,491,814)	-	(35,959,802)
Disposals Depreciation	-	-	11,137,682	-	-	-	-	11,137,682
Balance at the end of the year	-	(37,574,761)	(404,096,274)	(6,529,231)	(1,951,157)	(10,331,764)	-	(460,483,187)
Net book value at the end of the year	42,262,441	13,876,072	129,900,336	7,265,076	816,601	2,439,669	234,526,531	431,086,726
30 September 2023								
Cost								
Balance at beginning of the year	42,262,441	51,450,833	533,996,610	13,794,307	2,767,758	12,771,433	234,526,531	891,569,913
Additions	-	13,314,070	250,009,247	5,868,977	772,518	1,584,865	77,166,168	348,715,845
Disposals	-	-	(86,094,257)	-	-	-	-	(86,094,257)
Transferred from projects under construction	-	1,146,545	216,099,682	-	-	-	(217,246,227)	-
Balance at the end of the year	42,262,441	65,911,448	914,011,282	19,663,284	3,540,276	14,356,298	94,446,472	1,154,191,501
Accumulated depreciation								
Balance at beginning of the year	-	(37,574,761)	(404,096,274)	(6,529,231)	(1,951,157)	(10,331,764)	-	(460,483,187)
Depreciation expense	-	(1,518,379)	(39,147,097)	(1,890,935)	(212,341)	(1,245,525)	-	(44,014,277)
Disposals Depreciation	-	-	85,555,629	-	-	-	-	85,555,629
Balance at the end of the year	-	(39,093,140)	(357,687,742)	(8,420,166)	(2,163,498)	(11,577,289)	-	(418,941,835)
Net book value at the end of the year	42,262,441	26,818,308	556,323,540	11,243,118	1,376,778	2,779,009	94,446,472	735,249,666

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

4. Property, plant and equipment (continued)

Project under construction as of 30 September 2023 is as follows:

	30 September 2023	31 December 2022
Furnace	-	164,777,910
Land	83,846,743	-
Machinery	5,019,910	68,602,075
Others	5,579,819	1,146,546
	94,446,472	234,526,531

5. Trade and other receivables

	30 September 2023	31 December 2022
Net trade receivables	141,499,539	47,194,378
Contract assets	51,974,988	37,281,327
Export incentives	21,382,589	14,685,614
Due from tax authority	28,295,070	8,406,761
Debtors and other receivables	56,158,105	71,588,738
Due from related parties	637,687,397	611,622,286
	936,997,688	790,779,104

6. Trade and other payables

	30 September 2023	31 December 2022
Trade payables	177,109,752	136,135,330
Accrued Expenses	75,280,475	69,347,567
Contract liabilities	14,316,130	16,013,885
Social insurance authority	717,591	640,759
Creditors and other payables	12,956,588	15,443,065
Due to tax Authority	3,246,491	2,507,879
Due to related parties	469,984,550	130,300
	753,611,577	240,218,785

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

7. Bank borrowings

	30 September 2023	31 December 2022
a) Bank Borrowings - current portion		
Bank borrowings	120,972,039	96,916,347
Short term credit facilities		
Total current portion	218,948,732	147,430,676
	339,920,771	244,347,023
b) Bank Borrowings - non-current portion		
Bank borrowings	423,402,136	387,549,144
Total non-current portion	423,402,136	387,549,144
Total	763,322,907	631,896,167

In November 2019, the Group entities signed medium term loan agreements jointly with the International Finance Corporation ("IFC") and Commercial International Bank ("CIB") for a total of \$100 to refinance its existing medium-term debt and to provide funding for capital expenditure to increase production capacity, including furnace rebuilds, new production equipment, printing machines, resource efficiency improvements and streamlining of the cullet processing operation. The full amount of the facilities was disbursed in 2020 and resulted in settlement of all existing medium-term bank borrowings.

The loans have a seven-year tenor with 18-month grace and carries interest at 6-month LIBOR plus a margin.

The loans are secured with the group's lands, buildings and movable assets and the following package represent the company's assets that are used as security for the loans obtained:

- First ranking real estate mortgage over the lands and buildings owned by the company with the carrying amounts in EGP 69 million.
- Commercial establishment mortgage over the company's movable assets (Machines) with the carrying amounts in EGP 556 million.
- Restrictions on transfers of subsidiaries' shares owned by the Company.

8. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, due to a shortage of funding. The Company's exposure to liquidity risk results primarily from the mismatching of the maturities of its assets and liabilities.

Management makes cash flow projections on periodic basis, and take the necessary actions to negotiate with suppliers, follow-up the collections from customers and manage inventory balances in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

The Company limits liquidity risk by maintaining sufficient bank facilities and reserves, by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Balances due to suppliers are normally settled with an average of 120 days from the date of purchase.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

8. Liquidity risk (continued)

The table below summarises the maturities of the Company's undiscounted financial liabilities at 30 September 2023 and 31 December 2022, based on contractual payment dates and current market interest rates.

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
30 September 2023				
Trade and other payables*	735,331,365	-	-	-
Short term credit facilities	218,948,732	-	-	-
Loans and borrowings	60,486,019	60,486,020	120,972,039	302,430,097
Future interest payments	59,765,375	21,596,052	33,936,654	30,851,509
Total	1,074,531,491	82,082,072	154,908,693	333,281,606
31 December 2022				
Trade and other payables*	221,056,262	-	-	-
Short term credit facilities	147,430,676	-	-	-
Loans and borrowings	48,472,705	48,443,642	96,887,285	290,661,859
Future Interest payments	35,920,368	22,019,997	36,418,216	48,280,163
Total	452,880,011	70,463,639	133,305,501	338,942,022

* Trade and other payables presented above excludes contract liabilities, social insurance authority and tax liabilities.

9. Financial instruments by category

The Company's financial instruments are represented in cash and cash equivalents, trade receivables, debtors, investments, trade payables, notes payables, creditors, loans and credit facilities. The book value of these financial instruments does not differ significantly from fair value at the financial position date.