

**MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)
AND ITS SUBSIDIARIES**

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

**Interim condensed consolidated financial statements
For the Six-months period ended 30 June 2023**

Limited review report	1
Financial statements	
Interim condensed Consolidated statement of financial position	2
Interim condensed Consolidated statement of profits or loss	3
Interim condensed Consolidated statement of comprehensive income	4
Interim condensed Consolidated statement of changes in equity	5
Interim condensed Consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 14



Limited review report on the interim condensed consolidated 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 consolidated statement of financial position of Middle East Glass Manufacturing Company (S.A.E.) (the "Company") and its subsidiaries (together the "Group") as of 30 June 2023 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Egyptian Accounting Standard 30 "Interim financial statements", and our responsibility is limited to expressing a conclusion on these interim condensed consolidated 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 consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim financial statements".

Mohamed Elmoataz
R.A.A. 12747
F.R.A. 133

10 August 2023
Cairo



MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - AS OF 30 JUNE 2023

(All amounts in Egyptian Pounds)

	Note	30 June 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	5	2,090,590,164	1,748,230,139
Prepayments of Property, plant and equipment		21,506,143	50,018,391
Intangible assets		260,556,922	261,025,962
Deferred tax assets		170,119,695	67,458,128
Total non-current assets		2,542,772,924	2,126,732,620
Current assets			
Inventory		550,825,150	547,067,601
Trade and other receivables	6	1,558,985,194	1,058,967,645
Financial assets at amortized cost		97,733,289	132,625,897
Cash and cash equivalents		527,948,232	598,950,218
Total current assets		2,735,491,865	2,337,611,361
Total assets		5,278,264,789	4,464,343,981
Equity			
Issued and paid-up capital		62,627,993	62,627,993
Reserves		674,052,337	674,052,337
Retained earnings		322,239,501	142,822,822
Total equity		1,058,919,831	879,503,152
Liabilities			
Non-current liabilities			
Bank borrowings	8/b	1,802,500,079	1,649,428,044
Retirement benefits obligations		15,549,682	13,488,076
Deferred tax liabilities		10,097,001	3,779,322
Total non-current liabilities		1,828,146,762	1,666,695,442
Current liabilities			
Provisions		56,149,975	44,897,977
Trade and other payables	7	987,976,743	940,343,476
Income tax liability		226,528,897	132,660,178
Bank Borrowings – current portion	8/a	1,057,564,628	751,071,927
Interest payable		62,977,953	49,171,829
Total current liabilities		2,391,198,196	1,918,145,387
Total liabilities		4,219,344,958	3,584,840,829
Total equity and liabilities		5,278,264,789	4,464,343,981

- The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.
- Limited review report attached.



Mohamed Khalifa
Chief Financial Officer



Peter Carpenter
Director



Abdu Galil Beshar
Chairman

Cairo on August 10, 2023

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023

Interim condensed consolidated statement of profit or loss

(All amounts in Egyptian Pounds)

	Note	Six month ended 30 June		Three month ended 30 June	
		2023	2022	2023	2022
Revenue from contracts with customers		1,974,051,715	1,271,959,363	1,079,492,555	669,329,300
Cost of sales		(1,103,176,937)	(854,269,994)	(615,201,441)	(451,267,892)
Gross profit		870,874,778	417,689,369	464,291,114	218,061,408
Selling and marketing expenses		(50,986,993)	(35,964,289)	(26,541,580)	(18,107,020)
General and administrative expenses		(81,541,834)	(59,717,386)	(43,194,813)	(31,795,271)
Other operating income	4/a	235,617,315	188,754,640	85,117,425	43,408,149
Other operating expenses	4/b	(42,972,916)	(20,898,841)	(19,360,141)	(10,242,593)
Operating profit		930,990,350	489,863,493	460,312,005	201,324,673
Finance costs		(179,766,294)	(74,326,315)	(97,448,569)	(39,973,631)
Foreign exchange loss		(513,364,154)	(303,500,924)	-	(49,500,922)
Finance income		23,426,486	15,309,931	10,081,720	7,981,614
Net finance costs		(669,703,962)	(362,517,308)	(87,366,849)	(81,492,939)
Profit before income tax		261,286,388	127,346,185	372,945,156	119,831,734
Income tax expense	4/c	(63,207,733)	13,587,506	(96,115,669)	(14,485,352)
Net profit for the period		198,078,655	140,933,691	276,829,487	105,346,382
Basic earnings per share		2.32	2.34	4.63	2.09
Diluted earnings per share		2.32	1.81	4.95	1.61

- The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023

Interim condensed consolidated statement of other comprehensive income

(All amounts in Egyptian Pounds)

	Six month ended 30 June		Three month ended 30 June	
	2023	2022	2023	2022
Profit for the period	198,078,655	140,933,691	276,829,487	105,346,382
Other comprehensive income	-	-	-	-
Total other comprehensive income for the period	198,078,655	140,933,691	276,829,487	105,346,382
Total other comprehensive income for the period is attributable to:				
Owners' equity	198,078,655	140,933,691	276,829,487	105,346,382
Non-controlling interest	-	-	-	-
	198,078,655	140,933,691	276,829,487	105,346,382

- The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

Condensed consolidated statement of changes in equity

(All amounts in Egyptian Pounds)

	Reserves					Payment under capital increase	Retained earnings	Total owners' equity
	Issued and paid-up capital	Legal reserve	Share premium reserve	Other reserve				
Balance at 1 January 2022	50,322,580	25,161,260	172,217,162	13,129,007	432,825,002	89,586,208	783,241,219	
Total other comprehensive income for the period	-	-	-	-	-	140,933,691	140,933,691	
Profit Sharing distribution to employees	-	-	-	-	-	(22,697,551)	(22,697,551)	
Balance at 30 June 2022	50,322,580	25,161,260	172,217,162	13,129,007	432,825,002	207,822,348	901,477,359	
Balance at 1 January 2023	62,627,993	31,313,996	629,609,334	13,129,007	-	142,822,822	879,503,152	
Total other comprehensive loss for the period	-	-	-	-	-	198,078,655	198,078,655	
Profit Sharing distribution to employees	-	-	-	-	-	(18,661,976)	(18,661,976)	
Balance at 30 June 2023	62,627,993	31,313,996	629,609,334	13,129,007	-	322,239,501	1,058,919,831	

- The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Egyptian Pounds)

	Note	30 June 2023	30 June 2022
Cash flows from operating activities			
Net profit for the period before tax		261,286,388	127,346,185
Adjusted by:			
Interest expenses		176,807,916	70,968,052
Depreciation and amortization		103,097,423	84,682,977
(Gain) /Loss on sale of property, plant and equipment		(1,353,300)	4,327,367
Interest income		(23,426,486)	(15,309,932)
Provisions formed		21,172,240	-
Provisions no longer required		(933,128)	(298,078)
Retirement benefit obligations provision		3,210,000	1,868,052
Foreign exchange loss/ (gain)		513,364,154	304,424,597
Operating profit before changes in working capital		1,053,225,207	578,009,220
Change in working capital			
Inventories		(9,404,090)	(71,762,338)
Trade and other receivables		(542,307,100)	(262,415,577)
Trade and other payables		45,744,420	84,252,283
Provisions used		(4,273,700)	(4,537,551)
Cash flows generated from operations		542,984,737	323,546,037
Payment of employees' retirement benefits		(1,148,394)	-
Interest paid		(166,040,543)	(62,963,295)
Income tax paid		(36,194,602)	(24,560,855)
Net cash flows generated from operating activities		339,601,198	236,021,887
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(451,522,799)	(95,105,097)
Payments for purchase of intangible assets		-	(232,461)
Payments for purchase of financial assets		(224,599,234)	(212,256,921)
Proceeds from disposal of financial assets		248,063,036	168,893,514
Advance payment for Property, plant and equipment suppliers		28,512,248	(10,371,095)
Proceeds from sale of Property, plant and equipment		7,887,691	798,307
Interest income received		34,855,292	19,447,140
Cash flows used in investing activities		(356,803,766)	(128,826,613)
Cash flows from financing activities			
Short-term credit facilities		203,855,096	53,885,440
Repayments of bank borrowings		(257,654,514)	(153,044,245)
Net cash used in financing activities		(53,799,418)	(99,158,805)
Net (decrease) / increase in cash and cash equivalents		(71,001,986)	8,036,469
Cash and cash equivalents at beginning of the period		598,950,218	533,847,209
Cash and cash equivalents at end of the period		527,948,232	541,883,678

- The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

1. General information

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

These financial statements are consolidated financial statements for the group consisting of Middle East Glass Manufacturing Group S.A.E. and its subsidiaries
The Company is listed on the Egyptian Stock Exchange (EGX).

The Group and its subsidiaries together comprise "the Group".

The Group'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 Group is MENA Glass Holdings Limited with 52,90% ownership. the Group is ultimately controlled by Mr. Abdul Galil Beshar.

These consolidated financial statements have been approved by the Group board of directors of the Group on 10 August 2023.

Percentage of ownership in subsidiaries

The group consists of the below companies as of 30 June 2023 unless otherwise was noted, and the percentage of the Group'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
Misr for Glass Manufacturing	Egypt	Egyptian Pound	Owned 99.9997% by MEG Misr for Glass MEG	Owned 99.9997% by MEG Misr for Glass MEG	Manufacturing all kinds of Glass Bottles and the acquisition of other entities that operate in the same field

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim condensed consolidated financial statements summarized below. They were applied consistently over the presented financial periods unless otherwise stated:

Basis of preparation of the interim condensed consolidated financial statements

This interim condensed consolidated financial statements for the Six-months reporting period ended 30 June 2023 has been prepared in accordance with Egyptian Accounting Standard (30) "Interim Financial Reporting".

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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

2. Summary of significant accounting policies (continued)

This interim condensed consolidated financial statement does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim condensed consolidated financial statement are to be read in conjunction with the annual financial statement 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 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:

Accounting Standards	Amendment Summary	The potential impact on the financial statements	Application date
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 entity must record the proceeds from the sale of any output produced during the preparation of the fixed asset to be ready for the intended use 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 standard has no impact on the financial statements.	The entity applies the amendments to add 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.
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</p>	The standard has no impact on the financial statements.	The entity applies the amendments to add 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 on the initial applying

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

	-The fair value is determined through an estimate made by experts specialized in evaluation and pricing who are registered in Financial Regulatory Authority. "Disclosures" Some new disclosures related to the revaluation model have been added		of the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the entity applies this model for the first time.
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.	The standard has no impact on the financial statements.	Applies to financial periods beginning on or after January 1, 2023

3. Segment information

The Group's activities are organised into one segment which is wholly related to the manufacturing and sale of glass containers. This is in accordance with the presentations to the Board of Directors. Therefore, entity wide information required under EAS 41 "operating segments" are already included in the financial statements. No other information required to be disclosed.

4. Profit or loss information

a) Other operating income

	Six-month period ended	
	30 June 2023	30 June 2022
Accrued export incentives	117,935,446	47,667,188
Insurance recovery	-	45,031,542
Scrap sales	10,290,982	10,349,780
Gain on sale of fixed assets	1,353,301	-
Provision no longer required	933,128	-
Foreign currency exchange gain from operations	98,531,650	85,645,837
Other income	6,572,808	60,293
	235,617,315	188,754,640

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

4. Profit or loss information (continued)

b) Other operating expense

	Six-month period ended	
	30 June 2023	30 June 2022
Consultancy Fees	1,807,112	275,800
Social insurance contribution	7,434,851	4,380,290
Non-recurring production losses	9,640,028	6,871,187
Provision formed	21,172,240	-
ECL provision	-	1,147,401
Tax Differences	1,110,993	1,002,397
Loss on sale of fixed assets	-	4,327,368
Other expenses	1,807,692	2,894,398
	42,972,916	20,898,841

c) Income tax

	Six-month period ended	
	30 June 2023	30 June 2022
Income tax expense	(159,551,621)	(69,186,834)
Deferred income tax	96,343,888	82,774,340
	(63,207,733)	13,587,506

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

5. Property, plant and equipment

	Land	Buildings	Machinery, equipment & moulds	Vehicles and transportation	Furniture & office equipment	Computers & software	Projects under construction	Total
31 December 2022								
Cost								
Balance at beginning of the year	341,982,999	233,518,315	2,120,031,664	29,474,295	13,995,729	13,778,522	69,329,048	2,822,110,572
Additions	7,067,386	18,299,585	163,001,055	3,934,846	1,607,738	3,552,470	230,141,864	427,604,944
Disposals	-	-	(27,833,079)	(202,691)	(2,000)	-	-	(28,037,770)
Transferred from projects under construction	-	13,937,359	657,125	-	-	-	(14,594,484)	-
Balance at the end of the year	349,050,385	265,755,259	2,255,856,765	33,206,450	15,601,467	17,330,992	284,876,428	3,221,677,746
Accumulated depreciation								
Balance at beginning of the year	-	(108,637,499)	(1,169,930,579)	(20,338,334)	(11,583,049)	(9,991,998)	-	(1,320,481,459)
Depreciation expense	-	(10,581,007)	(159,295,671)	(2,909,212)	(1,020,592)	(2,071,764)	-	(175,878,246)
Disposals Depreciation	-	-	22,707,411	202,688	1,999	-	-	22,912,098
Balance at the end of the year	-	(119,218,506)	(1,306,518,839)	(23,044,858)	(12,601,642)	(12,063,762)	284,876,428	(1,473,447,607)
Net book value at the end of the year	349,050,385	146,536,753	949,337,926	10,161,592	2,999,825	5,267,230	284,876,428	1,748,230,139
30 June 2023								
Cost								
Balance at beginning of the period	349,050,385	265,755,259	2,255,856,765	33,206,450	15,601,467	17,330,992	284,876,428	3,221,677,746
Additions	-	17,590,284	297,962,181	7,998,913	6,369,058	2,134,734	119,467,629	451,522,799
Disposals	-	-	(39,213,962)	(1)	-	-	-	(39,213,963)
Transferred from projects under construction	-	1,709,667	220,300,827	-	-	-	(222,010,494)	-
Balance at the end of the period	349,050,385	285,055,210	2,734,905,811	41,205,362	21,970,525	19,465,726	182,333,563	3,633,986,582
Accumulated depreciation								
Balance at beginning of the period	-	(119,218,506)	(1,306,518,839)	(23,044,858)	(12,601,642)	(12,063,762)	-	(1,473,447,607)
Depreciation expense	-	(5,608,413)	(93,295,221)	(1,740,706)	(651,372)	(1,332,671)	-	(102,628,383)
Disposals Depreciation	-	-	32,679,572	-	-	-	-	32,679,572
Balance at the end of the period	-	(124,826,919)	(1,367,134,488)	(24,785,564)	(13,253,014)	(13,396,433)	182,333,563	(1,543,396,418)
Net book value at the end of the period	349,050,385	160,228,291	1,367,771,323	16,419,798	8,717,511	6,069,293	182,333,563	2,090,590,164

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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

Property, plant and equipment (continued)

The balance of project under construction as of 30 June 2023 is represented as follows:

	30 June 2023	31 December 2022
Batch house	43,890,989	43,890,989
Machinery	19,622,552	74,406,130
Building	179,732	654,853
New Furnace	31,559,447	164,777,910
Land	83,846,743	-
Others	3,234,100	1,146,546
	<u>182,333,563</u>	<u>284,876,428</u>

6. Trade and other receivables

	30 June 2023	31 December 2022
Net trade receivables	756,194,076	468,338,672
Contract assets	241,157,124	182,939,835
Export incentives	217,863,803	99,968,489
Due from tax authority	165,858,516	117,765,994
Debtors and other receivables	174,610,684	153,869,505
Due from related parties	3,300,991	36,085,150
	<u>1,558,985,194</u>	<u>1,058,967,645</u>

7. Trade and other payables

	30 June 2023	31 December 2022
Trade payables	531,480,228	521,424,327
Accrued Expenses	307,639,700	242,519,439
Contract liabilities	49,031,024	91,783,347
Social insurance authority	3,157,429	2,213,891
Creditors and other payables	81,715,342	73,959,309
Due to tax Authority	14,922,738	8,312,863
Due to related parties	30,282	130,300
	<u>987,976,743</u>	<u>940,343,476</u>

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

8. Bank borrowings

	30 June 2023	31 December 2022
A. Borrowings - current portion		
Bank borrowings	515,000,000	412,362,395
Short term credit facilities	542,564,628	338,709,532
Total current portion	1,057,564,628	751,071,927
B. Borrowings non-current portion		
Bank borrowings	1,802,500,079	1,649,428,044
Total non-current portion	1,802,500,079	1,649,428,044
Total	2,860,064,707	2,400,499,971

In November 2019, the Group signed medium term loan agreements with the International Finance Corporation ("IFC") and Commercial International Bank "CIB") for a total of \$100 Million 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 following security package:

- First ranking real estate mortgage over all the lands and buildings owned by the Group, with a carrying amount of EGP 509 million.
- Commercial establishment mortgage over all the Group's movable assets (Machines) with a carrying amount of EGP 1,368 million.
- Restrictions over transfers of subsidiaries' shares owned by the Group.

9. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to a shortage of funding. The Group'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 Group's liabilities. The Group'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 Group 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.) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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

10. Liquidity risk (continued)

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

	Less than 6 months	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
30 June 2023				
Trade and other payables *	884,319,656	-	-	-
Short term credit facilities	542,564,628	-	-	-
Loans and borrowings	257,500,000	257,500,000	515,000,000	1,287,500,079
Future Interest payment	184,588,193	107,303,147	171,685,036	178,838,576
Total	1,868,972,477	364,803,147	686,685,036	1,466,338,655
31 December 2022				
Trade and other payables *	808,375,938	-	-	-
Short term credit facilities	338,709,532	-	-	-
Loans and borrowings	206,195,728	206,166,667	412,333,334	1,237,094,710
Future Interest payment	148,083,707	92,334,187	199,213,834	150,216,159
Total	1,501,364,905	298,500,854	611,547,168	1,387,310,869

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

10. 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.