

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

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

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

**Interim condensed consolidated financial statements
For the Nine-months period ended 30 September 2023**

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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 September 2023 and the related interim condensed consolidated 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 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".



7 November 2023
Cairo

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

INTERIM CONDENSED CONSOLIDATED 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	5	2,108,442,251	1,748,230,139
Prepayments of Property, plant and equipment		31,850,002	50,018,391
Intangible assets		260,322,402	261,025,962
Deferred tax assets		161,427,770	67,458,128
Total non-current assets		2,562,042,425	2,126,732,620
Current assets			
Inventory		525,312,473	547,067,601
Trade and other receivables	6	1,457,373,801	1,058,967,645
Financial assets at amortized cost		-	132,625,897
Cash and cash equivalents		1,051,794,812	598,950,218
Total current assets		3,034,481,086	2,337,611,361
Total assets		5,596,523,511	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		553,996,712	142,822,822
Total equity		1,290,677,042	879,503,152
Liabilities			
Non-current liabilities			
Bank borrowings – non current portion	8/b	1,801,916,746	1,649,428,044
Retirement benefits obligations		16,278,362	13,488,076
Deferred tax liabilities		9,400,124	3,779,322
Total non-current liabilities		1,827,595,232	1,666,695,442
Current liabilities			
Provisions		80,503,940	44,897,977
Trade and other payables	7	942,493,768	940,343,476
Income tax liability		220,543,760	132,660,178
Bank Borrowings – current portion	8/a	1,107,341,535	751,071,927
Interest payable		127,368,234	49,171,829
Total current liabilities		2,478,251,237	1,918,145,387
Total liabilities		4,305,846,469	3,584,840,829
Total equity and liabilities		5,596,523,511	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



Abdul Galil Beshar
Chairman

07 November 2023

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Note	Nine month ended 30 September		Three month ended 30 September	
		2023	2022	2023	2022
Revenue from contracts with customers		3,028,448,268	2,004,127,303	1,054,396,553	732,167,940
Cost of sales		(1,700,289,773)	(1,362,934,398)	(597,112,836)	(508,664,404)
Gross profit		1,328,158,495	641,192,905	457,283,717	223,503,536
Selling and marketing expenses		(77,671,743)	(56,031,394)	(26,684,750)	(20,067,105)
General and administrative expenses		(126,549,077)	(91,280,250)	(45,007,243)	(31,562,864)
Other operating income	4/a	291,725,220	243,222,282	58,476,562	55,693,802
Other operating expenses	4/b	(85,988,825)	(32,297,811)	(45,384,566)	(12,625,130)
Operating profit		1,329,674,070	704,805,731	398,683,720	214,942,239
Finance costs		(284,439,709)	(119,014,307)	(104,673,415)	(44,687,992)
Foreign exchange loss/gain		(512,614,154)	(372,327,898)	750,000	(68,826,974)
Finance income		39,229,916	26,320,549	15,803,430	11,010,618
Net finance costs		(757,823,947)	(465,021,656)	(88,119,985)	(102,504,348)
Profit before income tax		571,850,123	239,784,076	310,563,735	112,437,891
Income tax expense	4/c	(142,014,257)	(21,510,655)	(78,806,524)	(35,098,161)
Net profit for the period		429,835,866	218,273,421	231,757,211	77,339,730
Basic earnings per share		6.28	3.82	3.12	1.02
Diluted earnings per share		6.28	2.94	3.12	0.78

- 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
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Nine month ended 30 September		Three month ended 30 September	
	2023	2022	2023	2022
Profit for the period	429,835,866	218,273,421	231,757,211	77,339,730
Other comprehensive income	-	-	-	-
Total other comprehensive income for the period	429,835,866	218,273,421	231,757,211	77,339,730
Total other comprehensive income for the period is attributable to:				
Owners' equity	429,835,866	218,273,421	231,757,211	77,339,730
Non-controlling interest	-	-	-	-
	429,835,866	218,273,421	231,757,211	77,339,730

- 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
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Egyptian Pounds)

	Issued and paid-up capital	Reserves			Payment under capital increase	Retained earnings	Total owners' equity
		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	-	-	-	-	-	218,273,421	218,273,421
Profit Share distribution to employees	-	-	-	-	-	(22,697,550)	(22,697,550)
Balance at 30 September 2022	50,322,580	25,161,260	172,217,162	13,129,007	432,825,002	285,162,079	978,817,090
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 income for the period	-	-	-	-	-	429,835,866	429,835,866
Profit Share distribution to employees	-	-	-	-	-	(18,661,976)	(18,661,976)
Balance at 30 September 2023	62,627,993	31,313,996	629,609,334	13,129,007	-	553,996,712	1,290,677,042

- 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
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
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 profit for the period before tax		571,850,123	239,784,076
Adjusted by:			
Interest expenses		280,894,631	116,562,750
Depreciation and amortization		165,140,760	129,760,065
Loss on sale of property, plant and equipment	4/b	1,413,504	3,292,282
Interest income		(39,229,916)	(26,320,549)
Provisions formed		46,288,556	956,329
Provisions no longer required		(890,271)	-
Retirement benefit obligations provision		4,815,000	2,768,052
Foreign exchange loss		512,614,154	372,327,898
Operating profit before changes in working capital		1,542,896,541	839,130,903
Change in working capital			
Inventories		16,108,586	(126,410,520)
Trade and other receivables		(452,535,192)	(278,170,355)
Trade and other payables		228,905	165,448,357
Provisions used		(5,036,051)	(6,943,254)
Cash flows generated from operations		1,101,662,789	593,055,131
Payment of employees' retirement benefits		(2,024,715)	(1,979,013)
Interest paid		(205,704,426)	(76,413,783)
Income tax paid		(101,194,601)	(41,348,379)
Net cash flows generated from operating activities		792,739,047	473,313,956
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(486,024,842)	(202,411,898)
Payments for purchase of intangible assets		-	(232,461)
Payments for purchase of financial assets at amortized cost		(390,560,485)	(212,256,921)
Proceeds from matured financial assets at amortized cost		342,774,036	213,858,050
Advance payment for Property, plant and equipment suppliers		(29,841,271)	(43,862,726)
Proceeds from sale of Property, plant and equipment		7,971,691	1,833,394
Interest income received		48,358,777	26,347,101
Cash flows used in investing activities		(507,322,094)	(216,725,461)
Cash flows from financing activities			
Proceeds from short-term credit facilities		253,798,669	106,197,165
Repayments of bank borrowings		(257,654,512)	(152,195,668)
Net cash used in financing activities		(3,855,843)	(45,998,503)
Net increase in cash at banks		281,561,110	210,589,992
Cash at banks at beginning of the period		598,950,218	533,847,209
Cash at banks at end of the period		880,511,328	744,437,201

Cash and cash equivalents are represented as follows:

Cash at banks	880,511,328	744,437,202
Financial assets at amortized cost (with maturity less than 3 months)	171,283,484	
Cash and cash equivalents at the end of the period	1,051,794,812	744,437,202

- 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 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 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 on 07 November 2023

Percentage of ownership in subsidiaries

The group consists of the below companies as of 30 September 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 Nine-months reporting period ended 30 September 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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	Date of application	Potential Impact on 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"</p> <ul style="list-style-type: none"> - The option of revaluing 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>"Disclosures" Some new disclosures have been added to the re-evaluation model</p>	The companies 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 modified to include the rights held by the lessee under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights.</p>	The company can apply the amendments by adding the option to use the revaluation model on the financial periods	The standard has no impact on the financial statements.

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

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

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

	<p>“Measurement”</p> <p>-An option to apply the revaluation model for intangible assets has been added -The fair value is determined through an estimate made by experts specialized in evaluation and valuation among those registered in a register dedicated to that in the General Authority for Financial Supervision</p> <p>“Disclosures”</p> <p>Some new disclosures related to the revaluation model have been added</p>	<p>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.</p>	
<p>Amendments to the Egyptian Accounting Standard “Fixed Assets” No. (10) and the Egyptian Accounting Standard No. (23) “Intangible Assets” related to depreciation and amortization</p>	<p>This amendment clarifies that it is not permissible to use the depreciation method that depends on the revenues generated from the activity 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.</p>	<p>Applies to financial periods beginning on or after January 1, 2023</p>	<p>The standard has no impact on the financial statements.</p>

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. 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED 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. Profit or loss information

a) Other operating income

	Nine-month period ended		Three-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Accrued export incentives	156,955,696	71,048,038	39,020,250	23,380,850
Insurance recovery	-	48,696,757	-	3,665,215
Scrap sales	15,410,930	15,779,577	5,119,948	5,429,797
Gain on sale of fixed assets	-	-	-	1,035,088
Provision no longer required	890,270	-	-	191,072
Foreign currency exchange gain from operations	97,559,152	107,637,617	-	21,991,780
Other income	20,909,172	60,293	14,336,364	-
	291,725,220	243,222,282	58,476,562	55,693,802

b) Other operating expense

	Nine-month period ended		Three-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Consultancy Fees	1,807,112	275,800	-	-
Social insurance contribution	11,494,348	7,055,572	4,059,497	2,675,282
Non-recurring production losses	12,548,645	12,171,395	2,908,617	5,300,208
Provision formed	50,528,101	-	29,398,719	-
ECL provision	-	956,329	-	-
Tax Differences	1,110,993	1,002,397	-	-
Loss on sale of fixed assets	1,413,504	3,292,280	2,766,805	-
Foreign currency exchange loss from operations	-	-	972,498	-
Other expenses	7,086,122	7,544,038	5,278,430	4,649,640
	85,988,825	32,297,811	45,384,566	12,625,130

c) Income tax

	For the Nine months period ended 30 September		For the three months period ended 30 September	
	2023	2022	2023	2022
Current income tax expense	(230,363,097)	(119,110,371)	(70,811,476)	(49,923,537)
Deferred income tax	88,348,840	97,599,716	(7,995,048)	14,825,376
	(142,014,257)	(21,510,655)	(78,806,524)	(35,098,161)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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)	-	(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 September 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	-	18,720,828	412,173,583	11,963,750	7,227,850	2,847,202	81,101,290	534,034,503
Disposals	-	-	(143,257,801)	-	(3,100)	-	-	(143,260,901)
Transferred from projects under construction	-	1,709,667	223,524,744	-	-	-	(225,234,411)	-
Balance at the end of the period	349,050,385	286,185,754	2,748,297,291	45,170,200	22,826,217	20,178,194	140,743,307	3,612,451,348
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	-	(8,557,227)	(149,499,132)	(3,010,805)	(1,313,254)	(2,056,782)	-	(164,437,200)
Disposals Depreciation	-	-	133,874,806	-	904	-	-	133,875,710
Balance at the end of the period	-	(127,775,733)	(1,322,143,165)	(26,055,663)	(13,913,992)	(14,120,544)	-	(1,504,009,097)
Net book value at the end of the period	349,050,385	158,410,021	1,426,154,126	19,114,537	8,912,225	6,057,650	140,743,307	2,108,442,251

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2023 is represented as follows:

	30 September 2023	31 December 2022
Batch house	43,890,989	43,890,989
Machinery	6,892,610	74,406,130
Building	179,732	654,853
New Furnace	-	164,777,910
Land	83,846,743	-
Others	5,933,233	1,146,546
	140,743,307	284,876,428

6. Trade and other receivables

	30 September 2023	31 December 2022
Net trade receivables	721,887,331	468,338,672
Contract assets	226,337,178	182,939,835
Export incentives	173,878,870	99,968,489
Due from tax authority	158,104,020	117,765,994
Debtors and other receivables	173,376,514	153,869,505
Due from related parties	3,789,888	36,085,150
	1,457,373,801	1,058,967,645

7. Trade and other payables

	30 September 2023	31 December 2022
Trade payables	521,515,372	521,424,327
Accrued Expenses	291,335,569	242,519,439
Contract liabilities	62,983,014	121,440,784
Social insurance authority	3,100,263	2,213,891
Creditors and other payables	47,916,229	44,301,872
Due to tax Authority	15,643,321	8,312,863
Due to related parties	-	130,300
	942,493,768	940,343,476

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED 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. Bank borrowings

	30 September 2023	31 December 2022
a) Bank borrowings - current portion		
Bank borrowings	514,833,334	412,362,395
Short term credit facilities	592,508,201	338,709,532
Total current portion	1,107,341,535	751,071,927
b) Bank borrowings non-current portion		
Bank borrowings	1,801,916,746	1,649,428,044
Total non-current portion	1,801,916,746	1,649,428,044
Total	2,909,258,281	2,400,499,971

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 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 507 million.
- Commercial establishment mortgage over all the Group’s movable assets (Machines) with a carrying amount of EGP 1,426 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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

9. Liquidity risk (continued)

The table below summarises the maturities of the Group'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 months	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
30 September 2023				
Trade and other payables *	860,767,170	-	-	-
Short term credit facilities	592,508,201	-	-	-
Loans and borrowings	257,416,667	257,416,667	514,833,333	1,287,083,413
Future Interest payment	232,406,590	91,908,562	144,427,740	131,297,944
Total	1,943,098,628	349,325,229	659,261,073	1,418,381,357
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.