

**MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG)
AND ITS SUBSIDIARIES**

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2024**

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**Interim condensed consolidated financial statements
For the Nine-month period ended 30 September 2024**

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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
MEG (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 MEG (S.A.E.) (the "Company") and its subsidiaries (together the "Group") as of 30 September 2024 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".


Hisham Mohamed Hamed
R.A.A. 39411
F.R.A 422

14 November 2024
Cairo

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024**

(All amounts in Egyptian Pounds)

	Note	30 September 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	2,324,815,267	2,143,848,883
Prepayments of property, plant and equipment		190,884,880	27,933,084
Intangible assets		280,903,692	271,228,653
Deferred tax assets		318,809,956	122,537,597
Total non-current assets		3,115,413,795	2,565,548,217
Current assets			
Inventories		762,231,712	612,493,009
Trade and other receivables	6	2,108,228,923	1,314,497,519
Cash and cash equivalents		1,221,229,380	1,027,609,887
Total current assets		4,091,690,015	2,954,600,415
Total assets		7,207,103,810	5,520,148,632
Equity and liabilities			
Equity			
Issued and paid-up capital	9	62,627,993	62,627,993
Reserves		674,052,337	674,052,337
Retained earnings		828,216,931	702,367,420
Total equity		1,564,897,261	1,439,047,750
Liabilities			
Non-current liabilities			
Bank borrowings – non current portion	8/b	2,012,083,446	1,544,500,073
Retirement benefits obligations		11,484,006	11,761,153
Deferred tax liabilities		8,096,511	8,703,246
Total non-current liabilities		2,031,663,963	1,564,964,472
Current liabilities			
Provisions		68,786,327	90,349,002
Trade and other payables	7	1,599,027,079	1,072,454,961
Income tax liability		251,169,580	207,330,118
Bank Borrowings – current portion	8/a	1,542,938,826	1,083,883,479
Interest payable		148,620,774	62,118,850
Total current liabilities		3,610,542,586	2,516,136,410
Total liabilities		5,642,206,549	4,081,100,882
Total equity and liabilities		7,207,103,810	5,520,148,632

- The accompanying notes from 1 to 12 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

Cairo on 14 November 2024

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

(All amounts in Egyptian Pounds)

	Note	Nine-month ended 30 September		Three-month ended 30 September	
		2024	2023	2024	2023
Revenue from contracts with customers	4/a	4,036,078,079	3,028,448,268	1,429,405,163	1,054,396,553
Cost of sales		(2,198,093,569)	(1,700,289,773)	(848,621,229)	(597,112,836)
Gross profit		1,837,984,510	1,328,158,495	580,783,934	457,283,717
Selling and marketing expenses		(111,930,695)	(77,671,743)	(43,077,388)	(26,684,750)
General and administrative expenses		(423,425,287)	(126,549,077)	(297,999,211)	(45,007,243)
Other operating income	4/b	494,443,041	291,725,220	86,407,815	58,476,562
Other operating expenses	4/c	(65,628,129)	(85,988,825)	(32,859,901)	(45,384,566)
Operating profit		1,731,443,440	1,329,674,070	293,255,249	398,683,720
Finance costs		(373,398,163)	(284,439,709)	(136,503,628)	(104,673,415)
Foreign currency translation (loss)/ gain		(361,497,161)	(512,614,154)	(15,166,671)	750,000
Finance income		59,633,724	39,229,916	16,158,595	15,803,430
Net finance costs		(675,261,600)	(757,823,947)	(135,511,704)	(88,119,985)
Profit before income tax		1,056,181,840	571,850,123	157,743,545	310,563,735
Income tax expense	4/d	(269,152,738)	(142,014,257)	(48,651,076)	(78,806,524)
Profit for the period		787,029,102	429,835,866	109,092,469	231,757,211
Net profit for the period					
Attributable to:					
Equity holders of the Parent Company		787,029,102	429,835,866	109,092,469	231,757,211
Basic and diluted earnings per share		11.89	6.28	1.68	3.12

- The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

(All amounts in Egyptian Pounds)

	Nine month ended 30 September		Three month ended 30 September	
	2024	2023	2024	2023
Profit for the period	787,029,102	429,835,866	109,092,469	231,757,211
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	787,029,102	429,835,866	109,092,469	231,757,211
Total comprehensive income for the period is attributable to:				
Equity holder of parent company	787,029,102	429,835,866	109,092,469	231,757,211
	787,029,102	429,835,866	109,092,469	231,757,211

- The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts in Egyptian Pounds)

	Issued and paid-up capital	Legal reserve	Reserves		Retained earnings	Total
			Share premium reserve	Other reserves		
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
Balance at 1 January 2024 (Before adjustment)	62,627,993	31,313,996	629,609,334	13,129,007	702,367,420	1,439,047,750
Effect of applying EAS 13 (Note 2.3 -C)	-	-	-	-	(615,958,905)	(615,958,905)
Balance at 1 January 2024 (After adjustment)	62,627,993	31,313,996	629,609,334	13,129,007	86,408,515	823,088,845
Total other comprehensive income for the period	-	-	-	-	787,029,102	787,029,102
Profit share distribution to employees	-	-	-	-	(45,220,686)	(45,220,686)
Balance at 30 September 2024	62,627,993	31,313,996	629,609,334	13,129,007	828,216,931	1,564,897,261

- The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts in Egyptian Pounds)

	Note	30 September 2024	30 September 2023
Cash flows from operating activities			
Profit for the period before tax		1,056,181,840	571,850,123
Adjusted by:			
Interest expenses		354,785,393	280,894,631
Depreciation and amortization		211,948,595	165,140,760
Loss on sale of property, plant and equipment	4/c	76,316	1,413,504
Finance income		(59,633,724)	(39,229,916)
Provisions formed		12,438,852	46,288,556
Provisions no longer required	4/b	-	(890,271)
Retirement benefit obligations provision		2,700,000	4,815,000
Foreign currency translation loss		361,497,161	512,614,154
Operating profit before changes in working capital		1,939,994,433	1,542,896,541
Change in working capital			
Inventories		(149,738,703)	16,108,586
Trade and other receivables		(894,714,692)	(452,535,192)
Trade and other payables		520,977,231	228,905
Provisions used		(32,562,675)	(5,036,051)
Cash flows generated from operations		1,383,955,594	1,101,662,789
Payment of employees' retirement benefits		(2,977,147)	(2,024,715)
Interest paid		(268,393,823)	(205,704,426)
Income tax paid		(188,334,623)	(101,194,601)
Net cash flows generated from operating activities		924,250,001	792,739,047
Cash flows from investing activities			
Purchase of property, plant and equipment		(368,459,671)	(486,024,842)
Advance payment for Property, plant and equipment suppliers		(183,180,058)	(29,841,271)
Payments for purchase of intangible assets		(13,978,401)	-
Proceeds from sale of Property, plant and equipment		-	7,971,691
Payments for purchase of financial assets at amortized cost		(144,153,240)	(390,560,485)
Proceeds from matured financial assets at amortized cost		365,055,850	342,774,036
Finance income received		65,374,852	48,358,777
Cash flows used in investing activities		(279,340,668)	(507,322,094)
Cash flows from financing activities			
Repayments of bank borrowings		(393,500,000)	(257,654,512)
Short-term credit facilities - net movement	8/a	169,055,347	253,798,669
Net cash used in financing activities		(224,444,653)	(3,855,843)
Net increase in cash and cash equivalents		420,464,680	281,561,110
Cash and cash equivalents at beginning of the period		800,764,700	598,950,218
Cash and cash equivalents at end of the period		1,221,229,380	880,511,328
Cash and cash equivalents are represented as follows:			
Cash		1,221,229,380	880,511,328
Financial assets at amortized cost (with maturity less than 3 months)		-	171,283,484
Cash and cash equivalents at end of the period		1,221,229,380	1,051,794,812

- The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

1. General information

Middle East Glass Manufacturing Company (MEG) (S.A.E.) 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 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 and its subsidiaries together comprise "the Group."

The Group's main activity is production of Glass containers, especially soft drink bottling bottles. The Group may engage in the sale and export of its products in Glass containers and carry out all direct industrial or commercial supplemental activities that are licensed for this activity. The Group may have Authority or participate in any way with bodies that carry out similar activities or cooperate with them in their purpose in Egypt or abroad. It may also be followed by approval from General Authority of Investment.

The ultimate parent of the Group is MENA Glass Holdings Limited with 93.01% (31 December 2023: 52.9%) ownership. The Group is ultimately controlled by Mr. Abdul Galil Beshar.

These consolidated financial statements were approved for issuance by the Board of Directors of the Company on 14 November 2024.

Percentage of ownership in subsidiaries

The group consists of the companies below as of 30 September 2024 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.

<u>Subsidiaries</u>	<u>Location</u>	<u>Functional currency</u>	<u>Ownership interest held by the group 2024</u>	<u>Ownership interest held by the group 2023</u>	<u>Activity</u>
Middle East Glass Containers Sadat	Egypt	Egyptian Pound	99.99992%	99.99992%	Manufacturing Glass Containers
MEG Misr for Glass MEG (S.A.E.)	Egypt	Egyptian Pound	99.99993%	99.99993%	Sale and distribution of glass
Misr for Glass Manufacturing S.A.E.	Egypt	Egyptian Pound	Owned 99.9997% by MEG Misr for Glass MEG (S.A.E)	Owned 99.9997% by MEG Misr for Glass MEG (S.A.E)	Manufacturing all kinds of Glass Containers and the acquisition of other entities that operate in the same field

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

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:

2.1 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 2024 have been prepared in accordance with Egyptian Accounting Standard (30) "Interim Financial Statements".

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 is to be read in conjunction with the annual consolidated financial statement for the year ended 31 December 2023 and any public announcements made by the Group during the interim reporting period.

2.2 New releases and amendments to the Egyptian Accounting Standards

The Minister of Investment issued Decision No. 636 for year 2024 on 3 March 2024, amending some provisions of Egyptian accounting standards, which are summarized as follows:

- A) Egyptian Accounting Standard No. (13) "Effect of change in the currency exchange rate"
- B) Egyptian Accounting Standard No. (17) "Separate financial statements "
- C) Egyptian Accounting Standard No. (34) "Investment in property"

On 23 October 2024, in accordance with Prime Minister's Decision No. 3527 for year 2024, amendments were issued to Egyptian Accounting Standard No. (51) "Financial Statements under Hyperinflationary Economies". The date of application of the standard will be determined later in accordance with the decision of the respective minister, starting from the beginning of the financial period in which the economy was classified as hyperinflationary.

The Group determined that these amendments do not have a material impact on the Group's financial statements except for effect of applying EAS (13) as illustrated below.

2.3 Effect of applying Egyptian Accounting Standard No. (13)

On March 3, 2024, the prime minister has issued decree No. 636, amending the Egyptian Accounting Standard No.13 (EAS 13) "the effect of changes in foreign currency exchange rates", paragraph 57A, effective from 1 January 2024.

The Group has applied the amendment in paragraph EAS13.57A and made an assessment to determine whether there is lack of exchangeability of foreign currencies against the Egyptian Pound. Below is summary of the outcome of that assessment.

A) Lack of Exchangeability assessment

The Group assessed that there is no lack of exchangeability for assets denominated in foreign currencies as at 1 January 2024, the date of application of EAS 13 revised. This assessment was made on the premise that assets denominated in foreign currencies may be exchanged at the bank at any point of time without any difficulty.

The Group management is confident that their forecasted cash flows will prevent a negative foreign currency position. The management believe that the Group's assets will sufficiently cover liabilities in foreign currency from exporting operations and the foreign currency generated from these activities. Furthermore, the Group has not experienced any default incidents related to foreign currency liabilities in the past when they came due.

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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

2. Summary of significant accounting policies (continued)

2.3 Effect of applying Egyptian Accounting Standard No. (13) (continued)

A) Lack of Exchangeability assessment (continued)

The Group also assessed that the lack of exchangeability for liabilities denominated in foreign currencies, and believes that the Group's expected future cash inflows in foreign currency would be sufficient to settle the Group's liabilities denominated in foreign currencies, however as at 1 January 2024, total liabilities denominated in foreign currencies exceeded the available monetary assets in foreign currencies, and according to the revised standard EAS 13 "Effects of changes in foreign exchange rates" these assets and liabilities have been revaluated at 1 January 2024 using the first rate that was available to the Group (USD 1=EGP 47.22, GBP 1 = 59.61 and EUR 1= EGP 50.97) to source foreign currency subsequent to the application date of the revised standard during March 2024, as summarized below.

B) Currency Position

Below is summary of monetary assets and liabilities denominated in USD, GBP and EUR outstanding from 1 January 2024 till 31 March 2024:

Statement of financial positions line item	Outstanding balances from 1 January 2024 USD	Outstanding balances from 1 January 2024 GBP	Outstanding balances from 1 January 2024 EUR
Total assets in foreign currency			
Cash and cash equivalents	19,532,000	-	-
Account receivables	703,471	-	-
Total	20,235,471	-	-
Total liabilities in foreign currency			
Loans	(66,666,669)	-	-
Trade payables	(1,920,683)	(20,809)	(283,193)
Total	(68,587,352)	(20,809)	(283,193)
Net liabilities position			
Loans	(48,351,881)	-	-
Trade payables	-	(20,809)	(283,193)
Total	(48,351,881)	(20,809)	(283,193)

C) Monetary effect of applying EAS 13 Revised

The following table represent the effect of EAS 13 revised on opening retained earnings:

Description	Foreign currency	Balance in foreign currency	Difference of using the estimated exchange rate on profit / (loss) EGP	Deferred income tax on profit / (loss) EGP	Net Effect on R.E Increase / (decrease) EGP
	USD	(48,351,881)	(789,586,211)	177,656,898	(611,929,313)
	GBP	(20,809)	(422,009)	94,952	(327,057)
Net liabilities	EUR	(283,193)	(4,777,464)	1,074,929	(3,702,535)
Net			(794,785,684)	178,826,779	(615,958,905)

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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

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) Revenue from contracts with customers

	Nine-month period ended		Three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Local sales	1,861,141,968	1,417,355,045	623,783,677	588,979,053
Export sales	2,174,936,111	1,611,093,223	805,621,486	465,417,500
	4,036,078,079	3,028,448,268	1,429,405,163	1,054,396,553

b) Other operating income

	Nine-month period ended		Three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Export incentives	160,908,153	156,955,696	52,557,288	39,020,250
Scrap sales	38,007,656	15,410,930	17,602,924	5,119,948
Provision no longer required	-	890,271	-	-
Tax differences	357,018	-	-	-
Foreign currency translation gain from operations	273,013,269	97,559,152	8,656,255	-
Other income	22,156,945	20,909,171	7,591,348	14,336,364
	494,443,041	291,725,220	86,407,815	58,476,562

c) Other operating expense

	Nine-month period ended		Three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Consultancy Fees	4,403,388	1,807,112	1,242,500	-
Social health contribution	15,465,496	11,494,348	5,785,131	4,059,497
Non-recurring production losses	14,036,859	12,548,645	6,997,757	2,908,617
Provision formed	12,438,852	46,288,555	12,587,073	25,159,173
Tax Differences	-	1,110,993	-	-
Loss on sale of property, plant and equipment	76,316	1,413,504	67,549	2,766,805
Government labor office expense	5,740,123	4,239,546	1,983,699	4,239,546
Foreign currency translation loss from operations	-	-	-	972,498
Other expenses	13,467,095	7,086,122	4,196,192	5,278,430
	65,628,129	85,988,825	32,859,901	45,384,566

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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

4. Profit or loss information (continued)

d) Income tax expense

	Nine-month period ended		Three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Income tax expense	(287,205,054)	(230,363,097)	(47,663,994)	(70,811,476)
Deferred income tax	18,052,316	88,348,840	(987,082)	(7,995,048)
	(269,152,738)	(142,014,257)	(48,651,076)	(78,806,524)

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

(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 2023								
Cost								
Balance at beginning 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
Additions	73,594,437	21,090,186	498,369,473	12,638,499	8,128,593	3,380,308	17,393,967	634,595,463
Disposals	-	-	(146,272,721)	-	(3,100)	-	-	(146,275,821)
Transferred from projects under construction	-	1,709,667	225,075,348	-	-	-	(226,785,015)	-
Balance at the end of the year	422,644,822	288,555,112	2,833,028,865	45,844,949	23,726,960	20,711,300	75,485,380	3,709,997,388
Accumulated depreciation								
Balance at beginning of the year	-	(119,218,505)	(1,306,518,839)	(23,044,859)	(12,601,642)	(12,063,762)	-	(1,473,447,607)
Depreciation expense	-	(11,866,459)	(208,350,799)	(4,506,024)	(2,028,444)	(2,761,661)	-	(229,513,387)
Disposals Depreciation	-	-	136,811,583	-	906	-	-	136,812,489
Balance at the end of the year	-	(131,084,964)	(1,378,058,055)	(27,550,883)	(14,629,180)	(14,825,423)	-	(1,566,148,505)
Net book value at the end of the year	422,644,822	157,470,148	1,454,970,810	18,294,066	9,097,780	5,885,877	75,485,380	2,143,848,883
30 September 2024								
Cost								
Balance at beginning of the period	422,644,822	288,555,112	2,833,028,865	45,844,949	23,726,960	20,711,300	75,485,380	3,709,997,388
Additions	-	7,900,712	250,006,251	4,416,294	3,543,478	1,950,523	120,870,675	388,687,933
Disposals	-	-	(5,782,778)	(274,671)	(21,989)	(16,170)	-	(6,095,608)
Transferred from projects under construction	-	4,473,511	12,582,570	-	826,529	623,918	(18,506,528)	-
Balance at the end of the period	422,644,822	300,929,335	3,089,834,908	49,986,572	28,074,978	23,269,571	177,849,527	4,092,589,713
Accumulated depreciation								
Balance at beginning of the period	-	(131,084,964)	(1,378,058,055)	(27,550,883)	(14,629,180)	(14,825,423)	-	(1,566,148,505)
Depreciation expense	-	(9,648,060)	(189,155,313)	(4,374,356)	(2,471,576)	(1,995,928)	-	(207,645,233)
Disposals Depreciation	-	-	5,715,229	274,671	21,644	7,748	-	6,019,292
Balance at the end of the period	-	(140,733,024)	(1,561,498,139)	(31,650,568)	(17,079,112)	(16,813,603)	-	(1,767,774,446)
Net book value at the end of the period	422,644,822	160,196,311	1,528,336,769	18,336,004	10,995,866	6,455,968	177,849,527	2,324,815,267

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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

5. Property, plant and equipment (continued)

The balance of project under construction as of 30 September 2024 is represented as follows:

	30 September 2024	31 December 2023
Batch house	43,890,989	43,890,989
Machinery	45,305,925	22,391,806
Building	77,719,550	1,572,799
New Project-10th Ramadan Land	9,756,752	3,619,784
New mezzanine extension	-	3,947,556
Others	1,176,311	62,446
	177,849,527	75,485,380

6. Trade and other receivables

	30 September 2024	31 December 2023
Trade receivables - net	1,153,465,521	562,852,018
Contract assets	337,119,201	230,189,920
Export Incentive	257,459,571	233,030,941
Due from tax authority	167,483,920	147,593,351
Debtors and other receivable	187,213,707	136,659,742
Due from related parties	5,487,003	4,171,547
	2,108,228,923	1,314,497,519

7. Trade and other payables

	30 September 2024	31 December 2023
Trades and notes payable	828,276,193	552,690,225
Accrued Expenses	556,764,258	357,956,716
Contract liabilities	72,605,354	95,717,775
Social insurance authority	4,055,507	3,112,569
Creditors and other payable	81,813,585	49,631,085
Due to tax Authority	55,512,182	13,346,591
	1,599,027,079	1,072,454,961

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

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

8. Bank borrowings

	<u>30 September 2024</u>	<u>31 December 2023</u>
a) Bank borrowings - current portion		
Bank borrowings	804,833,334	514,833,334
Short term credit facilities	738,105,492	569,050,145
Total current portion	<u>1,542,938,826</u>	<u>1,083,883,479</u>
b) Bank borrowings non-current portion		
Bank borrowings	2,012,083,446	1,544,500,073
Total non-current portion	<u>2,012,083,446</u>	<u>1,544,500,073</u>
Total	<u>3,555,022,272</u>	<u>2,628,383,552</u>

In November 2019, the Group companies 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 outstanding loan balance as of 30 September 2024 amounts to EGP 2,816,916,780.

The loans have a seven-year tenor with 18-month grace and carries interest at 6-month SOFR 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 the net carrying amounts of EGP 583 (31 December 2023: 580 million).
- A first ranking Commercial Establishment Mortgage over the tangible and intangible assets owned by the Group.
- Promissory Notes corresponding to the repayment dates and amounts.
- First ranking Share Pledge in favor of the Senior Secured Lenders or an agent acting on their behalf over the shares owned by the Group.

c) Interest accrued balance on the group's borrowing on 30 September 2024 amounts to EGP 148,620,774 (31 December 2023: EGP 62,118,850).

9. Issued and paid-up capital

The issued and paid capital of the company amounted to EGP 62,627,993 allocated to 62,627,993 shares with a nominal value of EGP 1 for each share, and distributed as follows:

Shareholders	<u>30 September 2024</u>		
	<u>No. of Shares</u>	<u>Value of shares</u>	<u>Shareholding %</u>
MENA Glass Holdings Limited*	58,250,357	58,250,357	93.01%
IGC Holdings Limited	3,968,175	3,968,175	6.34%
Other shareholders	409,461	409,461	0.65%
	<u>62,627,993</u>	<u>62,627,993</u>	<u>100%</u>

MIDDLE EAST GLASS MANUFACTURING COMPANY (MEG) AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

9. Issued and paid-up capital (continued)

Shareholders	31 December 2023		
	No. of Shares	Value of shares	Shareholding %
MENA Glass Holdings Limited	33,132,160	33,132,160	52.90%
MTM Packaging	23,121,158	23,121,158	36.92%
IGC Holdings Limited	3,968,175	3,968,175	6.34%
Other shareholders	2,406,500	2,406,500	3.84%
	62,627,993	62,627,993	100%

*During 2024, MENA Glass Holdings Limited (ultimate parent) acquired all of MTM Packaging shares amounted 23,121,158 shares representing 36.92% and 1,997,039 shares from other shareholders representing 3.19% of the company' shares. The ultimate parent shares increased from 52.9% to 93.01%.

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.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 30 September 2024 and 31 December 2023, 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 2024				
Trade and other payables *	1,466,854,036	-	-	-
Short term credit facilities	738,105,492	-	-	-
Loans and borrowings	402,416,667	402,416,667	804,833,333	1,207,250,113
Future Interest	273,349,396	103,940,522	145,516,742	62,364,340
Total	2,880,725,591	506,357,189	950,350,075	1,269,614,453
31 December 2023				
Trade and other payables *	960,278,026	-	-	-
Short term credit facilities	569,050,145	-	-	-
Loans and borrowings	257,416,667	257,416,667	514,833,333	1,029,666,740
Future Interest payment	163,169,693	87,577,397	134,734,458	107,787,568
Total	1,949,914,531	344,994,064	649,567,791	1,137,454,308

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

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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.

11. Significant events during the period

On 1 February 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the overnight deposits and lending interest rates and the Central Bank main operation rate by 200 basis points. Then on March 6, 2024, it has been raised by 600 basis points reaching 27.25%, 28.25%, and 27.75%, respectively. The credit and discount rates were also raised by 600 basis points.

The Central Bank of Egypt announced that it would allow the foreign exchange rate to be determined against the Egyptian pound as per market mechanisms, starting from 6 March 2024. On the date of issuance of these financial statements, the US dollar was trading in local banks at 48.46 Egyptian pounds approximately.