

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

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

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

**Interim condensed separate financial statements  
For the nine-month period ended 30 September 2024**

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## *Limited review report on the interim condensed separate financial statements*

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

### *Introduction*

We have conducted a limited review for the accompanying interim condensed separate statement of financial position of Middle East Glass Manufacturing Company (MEG) (S.A.E.) (the "Company") as of 30 September 2024 and the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate financial statements in accordance with Egyptian Accounting Standard 30 "Interim financial statements", and our responsibility is to express a conclusion on these interim condensed separate financial statements based on our limited review.

### *Scope of limited review*

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed separate financial statements.

### *Conclusion*

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



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

14 November 2024  
Cairo


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

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

(All amounts in Egyptian Pounds)

	Note	30 September 2024	31 December 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	741,014,239	739,716,667
Prepayments of property, plant and equipment		19,562,662	7,905,087
Intangible assets		6,229,940	3,920,602
Investment in subsidiaries		632,632,817	632,632,817
Deferred tax assets		68,730,052	28,505,323
<b>Total non-current assets</b>		<b>1,468,169,710</b>	<b>1,412,680,496</b>
<b>Current assets</b>			
Inventory		184,921,052	140,189,536
Trade and other receivables	6	1,205,684,109	1,059,281,869
Cash and cash equivalents		241,480,710	242,860,887
<b>Total current assets</b>		<b>1,632,085,871</b>	<b>1,442,332,292</b>
<b>Total assets</b>		<b>3,100,255,581</b>	<b>2,855,012,788</b>
<b>Equity</b>			
Issued and paid-up capital	9	62,627,993	62,627,993
Legal reserve		31,313,996	31,313,996
Share premium reserve		629,609,334	629,609,334
Other reserves		13,129,007	13,129,007
Retained earnings		372,869,576	437,334,394
<b>Total equity</b>		<b>1,109,549,906</b>	<b>1,174,014,724</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank Borrowings - non-current portion	8/b	472,785,675	362,916,118
Retirement benefits obligations		9,897,598	9,708,239
<b>Total non-current liabilities</b>		<b>482,683,273</b>	<b>372,624,357</b>
<b>Current liabilities</b>			
Provisions		27,461,311	32,438,375
Trade and other payables	7	999,413,189	967,105,520
Income tax liability		7,938,326	-
Bank Borrowings - current portion	8/a	436,573,810	288,839,698
Interest payable		36,635,766	19,990,114
<b>Total current liabilities</b>		<b>1,508,022,402</b>	<b>1,308,373,707</b>
<b>Total liabilities</b>		<b>1,990,705,675</b>	<b>1,680,998,064</b>
<b>Total equity and liabilities</b>		<b>3,100,255,581</b>	<b>2,855,012,788</b>

- The accompanying notes from 1 to 13 form an integral part of these interim condensed separate financial statements.
- Limited review report attached.

  
Mohamed Khalifa  
Chief Financial Officer

  
Peter Carpenter  
Director

  
Abdul Gail Beshar  
Chairman

Cairo on 14 November 2024

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

**INTERIM CONDENSED SEPARATE 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	1,392,773,453	870,666,864	440,655,531	336,888,346
Cost of sales		(939,901,824)	(615,029,648)	(327,445,586)	(237,789,825)
<b>Gross profit</b>		<b>452,871,629</b>	<b>255,637,216</b>	<b>113,209,945</b>	<b>99,098,521</b>
Selling and marketing expenses		(29,265,438)	(23,523,791)	(9,698,289)	(8,599,468)
General and administrative expenses		(171,092,491)	(52,714,472)	(118,776,669)	(18,107,019)
Other operating income	4/b	67,224,664	33,427,695	24,273,740	6,119,776
Other operating expense	4/c	(17,184,992)	(25,164,725)	(8,662,952)	(13,890,804)
<b>Operating profit</b>		<b>302,553,372</b>	<b>187,661,923</b>	<b>345,775</b>	<b>64,621,006</b>
Finance costs		(99,267,525)	(78,247,450)	(36,604,306)	(29,561,410)
Foreign currency translation (loss) / gain		(73,986,852)	(120,450,586)	(3,563,761)	176,230
Finance income		14,749,800	6,222,803	2,555,184	3,588,467
<b>Net finance costs</b>		<b>(158,504,577)</b>	<b>(192,475,233)</b>	<b>(37,612,883)</b>	<b>(25,796,713)</b>
<b>Profit / (Loss) before tax</b>		<b>144,048,795</b>	<b>(4,813,310)</b>	<b>(37,267,108)</b>	<b>38,824,293</b>
Income tax	4/d	(34,016,922)	(3,813,995)	7,524,295	(10,364,731)
<b>Profit / (Loss) for the period</b>		<b>110,031,873</b>	<b>(8,627,305)</b>	<b>(29,742,813)</b>	<b>28,459,562</b>
<b>Basic and diluted earnings / (losses) per share</b>		<b>1.44</b>	<b>(0.42)</b>	<b>(0.49)</b>	<b>0.17</b>

- The accompanying notes from 1 to 13 form an integral part of these interim condensed separate financial statements.

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

**INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

(All amounts in Egyptian Pounds)

	<b>Nine-month ended 30 September</b>		<b>Three-month ended 30 September</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit / (Loss) for the period	110,031,873	(8,627,305)	(29,742,813)	28,459,562
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>110,031,873</b>	<b>(8,627,305)</b>	<b>(29,742,813)</b>	<b>28,459,562</b>

- The accompanying notes from 1 to 13 form an integral part of these interim condensed separate financial statements.

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

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

(All amounts in Egyptian Pounds)

	Issued and paid-up capital	Reserves			Retained earnings	Total
		Share premium reserve	Other reserves	Legal reserve		
<b>Balance at 1 January 2023</b>	<b>62,627,993</b>	<b>629,609,334</b>	<b>13,129,007</b>	<b>31,313,996</b>	<b>434,029,662</b>	<b>1,170,709,992</b>
Total comprehensive loss for the period	-	-	-	-	(8,627,305)	(8,627,305)
Profit share distribution to employees	-	-	-	-	(18,661,976)	(18,661,976)
<b>Balance at 30 September 2023</b>	<b>62,627,993</b>	<b>629,609,334</b>	<b>13,129,007</b>	<b>31,313,996</b>	<b>406,740,381</b>	<b>1,143,420,711</b>
<b>Balance at 1 January 2024 (Before adjustment)</b>	<b>62,627,993</b>	<b>629,609,334</b>	<b>13,129,007</b>	<b>31,313,996</b>	<b>437,334,394</b>	<b>1,174,014,724</b>
Effect of applying EAS 13 (Note 2.3 - C)	-	-	-	-	(152,712,019)	(152,712,019)
<b>Balance at 1 January 2024 (After adjustment)</b>	<b>62,627,993</b>	<b>629,609,334</b>	<b>13,129,007</b>	<b>31,313,996</b>	<b>284,622,375</b>	<b>1,021,302,705</b>
Total comprehensive income for the period	-	-	-	-	110,031,873	110,031,873
Profit share distribution to employees	-	-	-	-	(21,784,672)	(21,784,672)
<b>Balance at 30 September 2024</b>	<b>62,627,993</b>	<b>629,609,334</b>	<b>13,129,007</b>	<b>31,313,996</b>	<b>372,869,576</b>	<b>1,109,549,906</b>

- The accompanying notes from 1 to 13 form an integral part of these interim condensed separate financial statements.

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

**INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

(All amounts in Egyptian Pounds)

	Note	30 September 2024	30 September 2023
<b>Cash flows from operating activities</b>			
Profit / (Loss) for the period before tax		144,048,795	(4,813,310)
<b>Adjusted by:</b>			
Interest expense		96,102,171	77,134,060
Finance income		(14,749,800)	(6,222,803)
Depreciation and amortization		63,824,557	44,202,257
Loss / (gain) on sale of property and equipment	4/c	8,767	(119,927)
Provisions formed	4/c	1,002,039	11,970,803
Provisions no longer required	4/b	-	(489,122)
Retirement benefit obligations provision		2,700,000	4,815,000
Foreign currency translation loss		73,986,852	120,450,586
<b>Operating profit before changes in working capital</b>		<b>366,923,381</b>	<b>246,927,544</b>
<b>Change in working capital</b>			
Inventories		(44,731,516)	(8,862,057)
Trade and other receivables		(62,932,030)	(108,768,962)
Trade and other payables		126,973,278	452,490,115
Provisions used		(4,977,064)	(2,723,099)
<b>Cash flows generated from operations</b>		<b>381,256,049</b>	<b>579,063,541</b>
Payment of employees' retirement benefits		(2,510,641)	(1,565,890)
Interest paid		(77,128,970)	(60,630,407)
Income tax paid		-	(30,320,731)
<b>Net cash flows generated from operating activities</b>		<b>301,616,438</b>	<b>486,546,513</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(56,498,280)	(317,290,410)
Proceeds from sale of property, plant and equipment		-	658,561
Purchase of intangible assets		(3,494,600)	-
Advance payment for Property, plant and equipment suppliers		(19,104,929)	(9,069,139)
Payments for purchase of financial assets at amortized cost		(83,309,340)	(47,232,500)
Proceeds from matured financial assets at amortized cost		166,985,180	-
Finance income received		17,752,557	4,377,803
<b>Cash flows generated from / (used in) investing activities</b>		<b>22,330,588</b>	<b>(368,555,685)</b>
<b>Cash flows from financing activities</b>			
Repayments of bank borrowings		(92,461,955)	-
Loan repayment on behalf of intercompany		(225,778,533)	(60,541,903)
Short-term credit facilities – net movement	8/a	79,591,882	71,518,027
<b>Net cash (used in) / generated from financing activities</b>		<b>(238,648,606)</b>	<b>10,976,124</b>
<b>Net increase in cash and cash equivalents</b>		<b>85,298,420</b>	<b>128,966,952</b>
Cash and cash equivalents at beginning of the period		156,182,290	88,939,803
<b>Cash and cash equivalents at end of the period</b>		<b>241,480,710</b>	<b>217,906,755</b>
<b>Cash and cash equivalents are represented as follows:</b>			
Cash at banks		241,480,710	217,906,755
Financial assets at amortized cost (with maturity less than 3 months)		-	49,077,500
<b>Cash and cash equivalents at the end of the period</b>		<b>241,480,710</b>	<b>266,984,255</b>

- The accompanying notes from 1 to 13 form an integral part of these interim condensed separate financial statements.



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

### NOTES TO THE INTERIM CONDENSED SEPARATE 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.) (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 Company's registered office is Nasr City, 6 Mokhayam El-Daem Street 6th District, Industrial Zone, Cairo – Arab Republic of Egypt.

The Company's term is 25 years, starting from 20 January 2004 till 19 January 2029.

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

The Company's main activity is the production of glass containers, especially soft drink bottles. The company 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 company may have Authority or participate in any way with entities 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 Company is MENA Glass Holdings Limited with 93.01% ownership (31 December 2023: 52.90%). The Company is ultimately controlled by Mr. Abdul Galil Basher.

Users of these separate financial statements should read them with the Group's consolidated financial statements as of 30 September 2024 in order to obtain full information on the financial position, results of operations, its cash flow and changes in equity of the company.

These interim condensed Separate financial statements were approved by the Board of Directors of the Company on 14 November 2024.

#### Percentage of ownership in subsidiaries

The company's ownership percentage in subsidiaries are shown below as of 30 September 2024 unless otherwise was noted, and the percentage of the Company's share of the companies is direct ownership of the ordinary shares of the paid-up capital only.

<u>Subsidiaries</u>	<u>Location</u>	<u>Functional currency</u>	<u>Ownership interest held by the company 2024</u>	<u>Ownership interest held by the company 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) (S.A.E.)

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

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

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#### **2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these interim condensed separate 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 Separate financial statements**

This interim condensed separate financial statements for the nine-month reporting period ended 30 September 2024 have been prepared in accordance with Egyptian Accounting Standard 30 "Interim Financial Statements".

This interim condensed separate financial statement does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim condensed separate financial statement is to be read in conjunction with the annual separate financial statements for the year ended 31 December 2023 and any public announcements made by the company 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) "Effects of changes 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 company determined that these amendments do not have a material impact on the company'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 effects of changes in foreign currency exchange rates", paragraph 57A, effective from 1 January 2024.

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

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

NOTES TO THE INTERIM CONDENSED SEPARATE 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 Company also assessed that the lack of exchangeability for liabilities denominated in foreign currencies, and believes that the Company's expected future cash inflows in foreign currency would be sufficient to settle the Company'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 Company (USD 1=EGP 47.22) 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 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 EUR
<b>Total assets in foreign currency</b>		
Cash and cash equivalents	3,762,000	-
Account receivables	6,908	-
<b>Total</b>	<b>3,768,908</b>	<b>-</b>
<b>Total liabilities in foreign currency</b>		
Loans	(15,664,880)	-
Trade payables	(136,293)	(33,247)
<b>Total</b>	<b>(15,801,173)</b>	<b>(33,247)</b>
<b>Net liabilities position</b>		
Loans	(12,032,265)	-
Trade payables	-	(33,247)
<b>Total</b>	<b>(12,032,265)</b>	<b>(33,247)</b>

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
Net liabilities	USD	(12,032,265)	(196,486,890)	44,209,550	(152,277,340)
	EUR	(33,247)	(560,876)	126,197	(434,679)
<b>Net</b>			<b>(197,047,766)</b>	<b>44,335,747</b>	<b>(152,712,019)</b>

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

**NOTES TO THE INTERIM CONDENSED SEPARATE 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 Company'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	948,328,653	629,430,489	307,819,566	263,534,796
Export sales	444,444,800	241,236,375	132,835,965	73,353,550
	<b>1,392,773,453</b>	<b>870,666,864</b>	<b>440,655,531</b>	<b>336,888,346</b>

**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	23,469,725	9,871,875	10,393,162	3,543,919
Scrap sales	17,151,299	5,480,501	8,858,721	1,718,889
Foreign currency translation gain from operations	15,489,732	14,516,380	-	-
Other income	11,113,908	2,949,890	5,021,857	851,681
Gain on sale of property, plant and equipment	-	119,927	-	-
Provisions no longer required	-	489,122	-	5,287
	<b>67,224,664</b>	<b>33,427,695</b>	<b>24,273,740</b>	<b>6,119,776</b>

**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	-
Other expenses	4,289,782	1,469,846	1,881,031	958,566
Social health contribution	3,989,761	2,633,266	1,375,592	994,336
Non-recurring production losses	3,188,511	3,135,573	2,343,000	1,681,602
Provision formed	1,002,039	11,970,803	955,009	8,148,994
Government labor office expense	153,767	1,628,737	65,900	1,628,737
Tax Differences	148,978	2,519,388	-	-
Loss on sale of property, plant and equipment	8,767	-	-	454,635
Foreign currency translation loss from operations	-	-	799,920	23,934
	<b>17,184,993</b>	<b>25,164,725</b>	<b>8,662,952</b>	<b>13,890,804</b>

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

**NOTES TO THE INTERIM CONDENSED SEPARATE 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**

	<b>Nine-month period ended</b>		<b>Three-month period ended</b>	
	<b>30 September 2024</b>	<b>30 September 2023</b>	<b>30 September 2024</b>	<b>30 September 2023</b>
Income tax expense	(29,905,904)	(8,266,396)	8,949,761	(5,207,567)
Deferred income tax	(4,111,018)	4,452,401	(1,425,466)	(5,157,164)
	<b>(34,016,922)</b>	<b>(3,813,995)</b>	<b>7,524,295</b>	<b>(10,364,731)</b>

Income tax expense is recognised based on company results for the financial period. Accordingly, the average annual tax rate used for the period ended 30 September 2024 is 24% of pretax operating profit compared to Nil for the nine-month ended 30 September 2023.

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5. Property, plant and equipment

	Land	Buildings	Machinery, equipment & moulds	Vehicles and transportation	Furniture & office equipment	Computers & Computer systems	Projects under construction	Total
<b>31 December 2023</b>								
<b>Cost</b>								
Balance at beginning of the year	42,262,441	51,450,833	533,996,607	13,794,310	2,767,758	12,771,433	234,526,531	891,569,913
Additions	73,594,437	14,629,544	268,243,362	6,543,727	872,534	1,951,719	7,845,634	373,680,957
Disposals	-	-	(88,975,231)	-	-	-	-	(88,975,231)
Transferred from projects under construction	-	1,146,546	216,108,481	-	-	-	(217,255,027)	-
<b>Balance at the end of the year</b>	<b>115,856,878</b>	<b>67,226,923</b>	<b>929,373,219</b>	<b>20,338,037</b>	<b>3,640,292</b>	<b>14,723,152</b>	<b>25,117,138</b>	<b>1,176,275,639</b>
<b>Accumulated depreciation</b>								
Balance at beginning of the year	-	(37,574,761)	(404,096,274)	(6,529,231)	(1,951,157)	(10,331,764)	-	(460,483,187)
Depreciation expense	-	(2,452,269)	(57,338,695)	(2,779,607)	(297,502)	(1,644,309)	-	(64,512,382)
Disposals Depreciation	-	-	88,436,597	-	-	-	-	88,436,597
<b>Balance at the end of the year</b>	<b>-</b>	<b>(40,027,030)</b>	<b>(372,998,372)</b>	<b>(9,308,838)</b>	<b>(2,248,659)</b>	<b>(11,976,073)</b>	<b>-</b>	<b>(436,558,972)</b>
<b>Net book value at the end of the year</b>	<b>115,856,878</b>	<b>27,199,893</b>	<b>556,374,847</b>	<b>11,029,199</b>	<b>1,391,633</b>	<b>2,747,079</b>	<b>25,117,138</b>	<b>739,716,667</b>
<b>30 September 2024</b>								
<b>Cost</b>								
Balance at beginning of the period	115,856,878	67,226,923	929,373,219	20,338,037	3,640,292	14,723,152	25,117,138	1,176,275,639
Additions	-	4,158,114	36,753,337	-	1,813,115	1,234,950	19,986,118	63,945,634
Disposals	-	-	(2,381,264)	-	(13,810)	(16,170)	-	(2,411,244)
Transferred from projects under construction	-	3,107,415	7,549,052	-	557,739	623,918	(11,838,124)	-
<b>Balance at the end of the period</b>	<b>115,856,878</b>	<b>74,492,452</b>	<b>971,294,344</b>	<b>20,338,037</b>	<b>5,997,336</b>	<b>16,565,850</b>	<b>33,265,132</b>	<b>1,237,810,029</b>
<b>Accumulated depreciation</b>								
Balance at beginning of the period	-	(40,027,030)	(372,998,372)	(9,308,838)	(2,248,659)	(11,976,073)	-	(436,558,972)
Depreciation expense	-	(2,430,299)	(56,638,562)	(2,083,131)	(430,400)	(1,056,903)	-	(62,639,295)
Disposals Depreciation	-	-	2,381,264	-	13,465	7,748	-	2,402,477
<b>Balance at the end of the period</b>	<b>-</b>	<b>(42,457,329)</b>	<b>(427,255,670)</b>	<b>(11,391,969)</b>	<b>(2,665,594)</b>	<b>(13,025,228)</b>	<b>-</b>	<b>(496,795,790)</b>
<b>Net book value at the end of the period</b>	<b>115,856,878</b>	<b>32,035,123</b>	<b>544,038,674</b>	<b>8,946,068</b>	<b>3,331,742</b>	<b>3,540,622</b>	<b>33,265,132</b>	<b>741,014,239</b>

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Project under construction as of 30 September 2024 is as follows:

	<b>30 September 2024</b>	<b>31 December 2023</b>
Machinery	23,468,130	17,487,351
New Project-10th Ramadan Land	9,756,752	3,619,784
MEG new mezzanine extension	-	3,947,555
Others	40,250	62,448
	<b>33,265,132</b>	<b>25,117,138</b>

**6. Trade and other receivables**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Net trade receivables	185,919,962	124,277,110
Contract assets	53,306,645	58,281,916
Export incentives	40,546,214	27,869,103
Due from tax authority	16,348,042	16,965,055
Debtors and other receivables	71,232,808	55,966,104
Due from related parties (Note 10/a)	838,330,438	775,922,581
	<b>1,205,684,109</b>	<b>1,059,281,869</b>

**7. Trade and other payables**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Trade and notes payables	227,753,471	195,228,259
Accrued Expenses	117,321,132	85,513,668
Contract liabilities	14,308,890	14,487,259
Social insurance authority	800,493	672,371
Creditors and other payables	19,600,722	13,431,081
Due to tax Authority	22,541,058	2,935,919
Due to related parties (Note 10/b)	597,087,423	654,836,963
	<b>999,413,189</b>	<b>967,105,520</b>

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**8. Bank borrowings**

	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>A. Bank Borrowings - current portion</b>		
Bank borrowings	189,114,268	120,972,038
Short term credit facilities	247,459,542	167,867,660
<b>Total current portion</b>	<b>436,573,810</b>	<b>288,839,698</b>
<b>B. Bank Borrowings - non-current portion</b>		
Bank borrowings	472,785,675	362,916,118
<b>Total non-current portion</b>	<b>472,785,675</b>	<b>362,916,118</b>
<b>Total</b>	<b>909,359,485</b>	<b>651,755,816</b>

In November 2019, the Group companies signed medium term loan agreements with the International Finance Corporation ("IFC") and Commercial International Bank ("CIB") 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 661,899,943.

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 the lands and buildings owned by the company with the net carrying amounts in EGP 148 million (31 December 2023: EGP 143 million).
  - A first ranking Commercial Establishment Mortgage over the tangible and intangible assets owned by the Company.
  - 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 subsidiaries' shares owned by the Company.
- c. Balance of Interest accrued on the company's borrowing on 30 September 2024 amounts to EGP 36,635,766 (31 December 2023: EGP 19,990,114).

**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	<b>30 September 2024</b>		
	<b>No. of Shares</b>	<b>Value of shares</b>	<b>Shareholding %</b>
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%
	<b>62,627,993</b>	<b>62,627,993</b>	<b>100%</b>
Shareholders	<b>31 December 2023</b>		
	<b>No. of Shares</b>	<b>Value of shares</b>	<b>Shareholding %</b>
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%
	<b>62,627,993</b>	<b>62,627,993</b>	<b>100%</b>



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**9. Issued and paid-up capital (continued)**

\*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 52.90% to 93.01%.

**10. Related parties**

The Company entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Company's board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management. Below is the statement that shows the nature and values of transaction with related parties during the period/year, and the balances due at the date of the separate financial statements.

The management decides the terms and conditions of the transactions and services provided by / to the related parties and any other expenses.

The following are the transactions with related parties:

**a) Due from related parties**

Nature of relationship	Nature and volume of transaction			30 September 2024	31 December 2023
	Sales	Purchases	Payment on behalf		
Subsidiaries	147,611,676	(209,145,214)	122,741,010	833,071,807	771,864,335
Under common control			120,199	5,258,631	4,058,246
				<b>838,330,438</b>	<b>775,922,581</b>

**b) Due to related parties**

Nature of relationship	Nature and volume of transaction			30 September 2024	31 December 2023
	Sales	Purchases	Payment on behalf		
Subsidiaries	(711,319,497)	300,040,606	353,529,351	597,087,423	654,836,963
				<b>597,087,423</b>	<b>654,836,963</b>

**11. Liquidity risk**

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

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

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**11. Liquidity risk (continued)**

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

The table below summarises the maturities of the Company's undiscounted financial liabilities at 30 September 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

	<u>Less than 6 month</u>	<u>Between 6 month &amp; 1 year</u>	<u>Between 1 &amp; 2 years</u>	<u>More than 2 years</u>
<b>30 September 2024</b>				
Trade and other payables*	961,762,748	-	-	-
Short term credit facilities	247,459,542	-	-	-
Loans and borrowings	94,557,134	94,557,134	189,114,143	283,671,532
Future interest payments	65,943,653	24,423,240	34,192,540	14,653,953
<b>Total</b>	<b><u>1,369,723,077</u></b>	<b><u>118,980,374</u></b>	<b><u>223,306,683</u></b>	<b><u>298,325,485</u></b>
<b>31 December 2023</b>				
Trade and other payables*	949,009,971	-	-	-
Short term credit facilities	167,867,660	-	-	-
Loans and borrowings	60,486,019	60,486,019	120,972,039	241,944,079
Future interest payments	43,734,357	20,578,344	31,658,992	25,327,199
<b>Total</b>	<b><u>1,221,098,007</u></b>	<b><u>81,064,363</u></b>	<b><u>152,631,031</u></b>	<b><u>267,271,278</u></b>

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

**12. 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.

**13. 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.