

**TAQA ARABIA 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**



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**Interim condensed consolidated financial statements
For the nine-month 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 TAQA Arabia Company (S.A.E.)

Introduction

We have conducted a limited review for the accompanying interim condensed consolidated statement of financial position of TAQA Arabia 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 the Egyptian Accounting Standard 30 "Interim financial reporting", and our responsibility is limited to expressing a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of the 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 reporting".



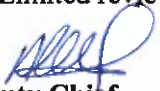
Wael Sakr
R.A.A. 26144
F.R.A. 381

12 November 2023
Cairo

Interim condensed consolidated statement of financial position – As of 30 September 2023

(All amounts in EGP)	Note	30 September 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	5	3,738,704,407	3,181,171,388
Projects under construction	6	1,128,886,736	704,015,117
Right of use assets	8	673,739,139	663,901,237
Intangible assets	7	228,029,329	194,545,519
Deferred tax assets		136,074,929	85,741,808
Goodwill		402,287,559	393,100,684
Financial assets at fair value through other comprehensive income		52,095,460	52,095,460
Due from related parties	10	39,200,000	39,200,000
Trade receivables and other debit balances		304,621,423	308,819,973
		<u>6,703,638,982</u>	<u>5,622,591,186</u>
Current assets			
Inventories	9	1,200,579,186	837,323,789
Trade receivables and other debit balances		2,842,514,579	2,263,054,086
Due from related parties	10	44,354,425	33,302,020
Cash on hand and at bank and highly liquid investment		6,939,960,403	5,941,520,176
		<u>11,027,408,593</u>	<u>9,075,200,071</u>
Total assets		<u>17,731,047,575</u>	<u>14,697,791,257</u>
Equity			
Paid up capital	13	676,176,900	676,176,900
Share premium		6,501,700	6,501,700
Reserves		398,867,835	282,436,366
Retained earnings		1,219,097,229	1,048,352,104
Total equity attributable to owners of TAQA Arabia company		<u>2,300,643,664</u>	<u>2,013,467,070</u>
Non-controlling interests		476,834,853	384,006,246
Total equity		<u>2,777,478,517</u>	<u>2,397,473,316</u>
Non-current liabilities			
Loans	11	2,756,621,822	2,430,897,468
Lease liabilities		733,905,704	691,640,105
Deferred tax liabilities		199,996,141	159,191,792
Long term liabilities		391,031,926	328,752,388
		<u>4,081,555,593</u>	<u>3,610,481,753</u>
Current liabilities			
Trade payables and other credit balances		3,935,527,778	3,407,872,666
Due to related parties	10	205,489,447	75,672,392
Bank facilities		5,890,691,428	4,489,812,254
Loans	11	406,567,738	298,268,594
Lease liabilities		44,379,550	42,381,066
Provisions	12	389,357,524	375,829,216
		<u>10,872,013,465</u>	<u>8,689,836,188</u>
Total equity and liabilities		<u>17,731,047,575</u>	<u>14,697,791,257</u>

- The accompanying notes on pages 7 - 31 form an integral part of these interim condensed consolidated financial statements.
- Limited review report attached.


Deputy Chief
Financial Officer
Mr. Ahmed El-Roubey


Chief Financial Officer
Mr. Peter Mofeed


Managing Director
Mrs. Pakinam Kafafi

9 November 2023

Interim condensed consolidated statement of profit or loss
For the nine-month period ended 30 September 2023

(All amounts in EGP)

	Note	Nine-month ended 30 September		Three-month ended 30 September	
		2023	2022	2023	2022
Revenues		9,782,296,424	7,650,820,391	3,622,692,684	2,863,537,969
Cost of revenues		<u>(8,681,726,710)</u>	<u>(6,780,580,557)</u>	<u>(3,191,513,667)</u>	<u>(2,520,268,451)</u>
Gross profit		1,100,569,714	870,239,834	431,179,017	343,269,518
Administrative expenses		(323,380,165)	(220,251,400)	(91,240,471)	(79,540,457)
Other expenses	3.(A)	(74,341,442)	(80,710,405)	(18,893,742)	(8,700,107)
Other income		25,637,923	4,737,442	23,816,619	858,857
Operating profit		728,486,030	574,015,471	344,861,423	255,887,811
Finance cost – net	3.(B)	(140,643,876)	(34,286,149)	(36,698,264)	(22,463,333)
Foreign currency exchange gain / (loss)		6,795,042	(12,897,152)	6,775,829	(8,114,158)
Profit for the period before income tax		594,637,196	526,832,170	314,938,988	225,310,320
Income tax	3.(C)	<u>(165,446,481)</u>	<u>(137,262,871)</u>	<u>(79,672,387)</u>	<u>(62,799,535)</u>
Net profit for the period		<u>429,190,715</u>	<u>389,569,299</u>	<u>235,266,601</u>	<u>162,510,785</u>
Profit attributable to:					
Owners of the Company		364,985,760	343,387,446	197,714,701	151,031,357
Non-controlling interest		64,204,955	46,181,853	37,551,900	11,479,428
Net profit for the period		<u>429,190,715</u>	<u>389,569,299</u>	<u>235,266,601</u>	<u>162,510,785</u>
Basic earnings per share	3.(D)	0.270	0.254	0.146	0.112

- The accompanying notes on pages 7 - 31 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income
For the nine-month period ended 30 September 2023

(All amounts in EGP)

	Nine-month ended 30 September		Three-month ended 30 September	
	2023	2022	2023	2022
Net profit for the period	429,190,715	389,569,299	235,266,601	162,510,785
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	149,670,182	84,955,069	(8,450,738)	17,758,683
Derivative financial instruments - cash flow hedge	26,818,430	77,993,811	17,338,326	29,499,204
Total other comprehensive income for the period, net of tax	176,488,612	162,948,880	8,887,588	47,257,887
Total comprehensive income for the period	605,679,327	552,518,179	244,154,189	209,768,672
Attributed to:				
Owners of the Company	471,579,488	439,972,412	207,042,893	179,121,795
Non-controlling interests	134,099,839	112,545,767	37,111,296	30,646,877
Total comprehensive income for the period	605,679,327	552,518,179	244,154,189	209,768,672

- The accompanying notes on pages 7 - 31 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of change in equity
For the nine-month period ended 30 September 2023

(All amounts in EGP)

	Reserves							Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
	Paid up capital	Share premium	Legal reserve	Translation reserve	Hedging reserve	Other reserve	Retained earnings			
Balance at 31 December 2021	676,176,900	6,501,700	74,146,808	14,274,461	(36,815,539)	50,465,949	773,421,760	1,558,172,039	233,537,481	1,791,709,520
Total comprehensive income for the period	-	-	-	49,788,679	46,796,287	-	343,387,446	439,972,412	112,545,767	552,518,179
Transfer to legal reserve	-	-	10,258,396	-	-	-	(10,258,396)	-	-	-
Dividends for shareholders	-	-	-	-	-	-	(72,252,046)	(72,252,046)	(2,407,760)	(74,659,806)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	1,500,000	1,500,000
Board of directors and employees profit share	-	-	-	-	-	-	(77,000,000)	(77,000,000)	(8,338,093)	(85,338,093)
Balance at 30 September 2022	676,176,900	6,501,700	84,405,204	64,063,140	9,980,748	50,465,949	957,298,764	1,848,892,405	336,837,395	2,185,729,800
Balance at 1 January 2023	676,176,900	6,501,700	84,405,204	130,928,214	16,636,999	50,465,949	1,048,352,104	2,013,467,070	384,006,246	2,397,473,316
Total comprehensive income for the period	-	-	-	90,502,674	16,091,054	-	364,985,760	471,579,488	134,099,839	605,679,327
Transfer to legal reserve	-	-	9,837,741	-	-	-	(9,837,741)	-	-	-
Board of directors and employees profit share	-	-	-	-	-	-	(184,402,894)	(184,402,894)	(3,497,514)	(187,900,408)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	38,496,768	38,496,768
Dividends for shareholders	-	-	-	-	-	-	-	-	(76,270,486)	(76,270,486)
Balance at 30 September 2023	676,176,900	6,501,700	94,242,945	221,430,888	32,728,053	50,465,949	1,219,097,229	2,300,643,664	476,834,853	2,777,478,517

- The accompanying notes on pages 7 - 31 form an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows
For the nine-month period ended 30 September 2023

(All amounts in EGP)	Note	30 September 2023	30 September 2022
Cash flows from operating activities			
Profit for the period before income tax		594,637,196	526,832,170
Adjusted for:			
Depreciation of property, plant and equipment	5	183,312,445	135,423,987
Amortization of intangible assets	7	10,423,240	2,585,885
Amortization - right of use assets	8	42,754,418	33,639,972
Impairment of trade receivables		2,287,598	3,625,530
Provision formed	12	35,892,069	65,134,703
(Reversal) / Impairment of treasury bills		159,976	(923,282)
Gain on sale of property, plant and equipment		(1,620,020)	(361,375)
Interest expense - lease liability		62,659,210	41,375,366
Operating profit before changes in working capital		930,506,132	807,332,956
Changes in working capital			
Trade receivables and other debit balances		(532,229,058)	(220,675,883)
Inventories		(360,326,398)	(229,012,194)
Related parties		135,791,379	(3,438,658)
Trade payables and other credit balances		467,548,430	307,175,377
Provision used		(25,476,824)	(75,085,245)
Cash generated from operating activities		615,813,661	586,296,353
Board of directors and employees dividends paid		(191,236,590)	(72,252,046)
Income tax paid		(34,407,719)	(60,955,465)
Net Cash flows generated from operating activities		390,169,352	453,088,842
Cash flows from investing activities			
Payments for additions of property, plant and equipment and projects under construction	5	(816,510,841)	(743,633,831)
Payments for intangible assets	7	(389,962)	(407,595)
Proceeds from sale of property and equipment		1,911,861	512,416
Investment in subsidiary		(22,668,787)	-
Investments in treasury bills & deposits with maturity over 3 months		-	695,489,281
Net cash flows used in investing activities		(837,657,729)	(48,039,729)
Cash flows from financing activities			
Proceeds from loans		403,659,355	412,125,163
Repayment to loans		(269,428,500)	(159,566,007)
Bank facilities		1,400,879,174	1,397,398,286
Non-controlling interest dividends		(76,270,486)	(10,745,853)
Non-controlling interest on acquisition of subsidiaries		-	1,500,000
Lease liability payments		(69,365,651)	(58,196,984)
Shareholders dividends		(22,000,000)	(92,630,000)
Net cash flows generated from financing activities		1,367,473,892	1,489,884,605
Net changes in cash and cash equivalent		919,985,515	1,894,933,718
cash and cash equivalent at the beginning of the year		5,559,722,410	4,618,811,178
Effect of changes exchange rate on cash and cash equivalent		78,614,691	37,729,719
cash and cash equivalent at the end of the period		6,558,322,616	6,551,474,615

Non-cash transactions

- An amount of EGP 52,088,544 has been eliminated from ROU against the same amount from Lease liability as a result of the adoption of EAS 49.
- An amount of EGP 22,668,787 has been eliminated from the statement of financial position as a result of the acquisition of subsidiary.
- An amount of EGP 22,000,000 has been eliminated from Dividends paid to shareholders against EGP 17,026,728 from related party and EGP 4,973,272 from Trade payables and other credit balances.
- An amount of EGP 3,336,181 has been eliminated from Trade payables and other credit balances against the same amount from Board of directors and employees profit share paid during the period.
- An amount of EGP 41,157,785 which represents change in fair value of derivative (interest rate swap) has been eliminated from Long term assets against the same amount from Other comprehensive income and Deferred tax liability.
- An amount of EGP 262,412 has been eliminated from the Payments for intangible assets against the same amount from Payment for additions of projects under construction.

- The accompanying notes on pages 7 - 31 form an integral part of these interim condensed consolidated financial statements.

(In the notes all amounts are shown in EGP unless otherwise stated)

1. General information

TAQA Arabia Company - S.A.E - was established under the provisions of law No. 159 of 1981 and its executive regulations. And is registered in the commercial register under number 21361 on 22 March 2006. The duration of the company is twenty-five years starting from the date of registration in the Commercial Register.

The registered office of the company is G2, El Morshedy St. El Lasilky Area, Maadi Cairo – Egypt.

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

The group is primarily involved in the following activities:

- Construct, manage, operate, and maintain natural gas transmission and distribution lines.
- Construct, manage, operate, and maintain power plants, electricity transformers and distribution networks.
- Construct, manage, operate, and maintain water desalination stations, refineries, water purification, distribution networks, transmission lines, as well as pumping stations, processing and purification, sewage and industrial drainage grid.
- Distribute electricity, natural gas and water to the company or to third parties, subject to the provision of laws, regulations and decrees applicable licensing condition for the exercise of such activities.
- Providing consulting services in the areas mentioned above.

The interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 9 November 2023. The General Assembly meeting of shareholders has the right to amend the financial statements after its issuance.

2. Operating segments

The information below describe the segment information provided to the chief operating decision making which must be disclosed for the period ended 30 September 2023.

The following summary describes each reportable segment:

(a) Gas sector

Specialize in delivering natural gas to both residential and industrial customers.

This arm provides its customers with:

Connections construction, gas distribution and operations & maintenance services targeting both residential and industrial customers.

CNG vehicle conversions, gas supply station, in addition to Mobile CNG.

Engineering consultancy, gas retail appliances and market research and surveying services.

TAQA ARABIA 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 EGP unless otherwise stated)

2. Operating segments

(b) Power Sector

Specialize in power generation systems, through combustible and solar energy stations, to off grid industrial customers,
Power distribution through building / owning substations and networks,
Excess capacity management,
Operation & maintenance services, including all activities necessary for TAQA clients' plants to operate in a safe and economical manner,

(c) Fuel and Lubricants

TAQA Oil Marketing is the first privately owned Egyptian company with a license to market petroleum products including fuels and lubricants, through a retail network of service stations under TAQA's brand name.

The Company is also the sole distributor of Castrol lubricants in Egypt since 2008. Castrol Egypt has been established in 2018 with TAQA share 49% of the total shares.

TAQA ARABIA 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 EGP unless otherwise stated)

2. Operating segments (continued)

The management assesses the performance of the operating segments based on the total revenues / gross profit/ EBITDA/operating profit/ total assets of segment and the total liabilities. This measurement basis excludes discontinued operations. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the Group's head office, which manages the cash flows and liquidity requirements. In terms of geography, the group operations are mainly in Egypt.

	Gas	Power	Marketing	Other	Total	Elimination	Total Cons
30 September 2023							
Operating results							
Revenue	2,602,449,622	1,712,526,926	5,409,067,249	177,296,970	9,901,340,767	(119,044,343)	9,782,296,424
Cost of revenue	(1,984,204,667)	(1,257,823,144)	(5,201,661,800)	(49,820,229)	(8,493,509,840)	30,912,742	(8,462,597,098)
Depreciation and amortization (Cost)	(78,491,119)	(107,449,532)	(31,073,975)	(2,114,986)	(219,129,612)	-	(219,129,612)
Gross profit	539,753,836	347,254,250	176,331,474	125,361,755	1,188,701,315	(88,131,601)	1,100,569,714
Investment revenue	-	-	-	137,160,087	137,160,087	(137,160,087)	-
Other income	2,273,456	23,087,887	-	276,580	25,637,923	-	25,637,923
Administrative expenses	(160,600,484)	(71,481,762)	(30,986,853)	(132,992,406)	(396,061,505)	90,041,829	(306,019,676)
Depreciation and amortization (Admin)	(6,435,280)	(5,117,770)	(2,425,695)	(3,381,744)	(17,360,489)	-	(17,360,489)
Other expenses	(12,451,608)	(19,970,242)	(2,005,187)	(4,022,336)	(38,449,373)	-	(38,449,373)
Provision	(2,034,478)	-	-	(33,857,591)	(35,892,069)	-	(35,892,069)
Results from operating activities	360,505,442	273,772,363	140,913,739	88,544,345	863,735,889	(135,249,859)	728,486,030
Financial position							
Total assets	7,797,686,718	6,748,002,557	2,581,747,669	2,451,053,008	19,578,489,952	(1,847,442,377)	17,731,047,575
Total liabilities	7,177,712,471	5,089,523,579	2,307,330,981	1,543,666,902	16,118,233,933	(1,164,664,875)	14,953,569,058

TAQA ARABIA 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 EGP unless otherwise stated)

2. Operating segments (continued)

30 September 2022	Gas	Power	Marketing	Other	Total	Elimination	Total Cons
Operating results							
Revenue	1,742,007,399	1,505,913,974	4,428,137,046	59,318,315	7,735,376,734	(84,556,343)	7,650,820,391
Cost of revenue	(1,246,189,840)	(1,129,908,619)	(4,267,540,504)	(6,937,807)	(6,650,576,770)	28,176,607	(6,622,400,163)
Depreciation & Amortization (Cost)	(56,980,451)	(73,456,776)	(27,598,166)	(145,001)	(158,180,394)	-	(158,180,394)
Gross profit	438,837,108	302,548,579	132,998,376	52,235,507	926,619,570	(56,379,736)	870,239,834
Investment revenue	-	-	-	83,400,183	83,400,183	(83,400,183)	-
Other income	2,502,921	2,234,521	-	-	4,737,442	-	4,737,442
Administrative expenses	(119,754,270)	(50,168,437)	(22,137,328)	(73,011,881)	(265,071,916)	58,289,966	(206,781,950)
Depreciation & Amortization (Admin)	(4,904,605)	(4,237,825)	(2,478,782)	(1,848,238)	(13,469,450)	-	(13,469,450)
Other expenses	(7,018,869)	(3,204,835)	(3,421,547)	(2,720,430)	(16,365,681)	789,979	(15,575,702)
Provision	(1,414,820)	-	348,439	(64,068,322)	(65,134,703)	-	(65,134,703)
Results from operating activities	308,247,465	247,172,003	105,309,158	(6,013,181)	654,715,445	(80,699,974)	574,015,471
Financial position							
Total assets	5,902,747,298	5,754,428,534	2,149,995,956	2,098,513,909	15,905,685,697	(1,307,387,329)	14,598,298,368
Total liabilities	5,349,844,568	4,459,500,113	1,941,464,320	1,336,951,564	13,087,760,565	(675,191,997)	12,412,568,568



TAQA ARABIA 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 EGP unless otherwise stated)

2. Operating segments (continued)

Statement of profit or loss

	Gas		Power		Marketing		Other		TAQA Cons	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Sales	2,602.4	1,742.0	1,712.5	1,505.9	5,409.1	4,428.1	177.2	59.3	9,782.3	7,650.8
Cost of Sales	(1,984.2)	(1,246.2)	(1,257.8)	(1,129.9)	(5,201.7)	(4,267.5)	(49.8)	(6.8)	(8,462.6)	(6,622.4)
Gross profit	618.2	495.8	454.7	376.0	207.4	160.6	127.4	52.5	1,319.7	1,028.4
Admin expenses	(160.6)	(119.8)	(71.5)	(50.2)	(31.0)	(22.1)	(133.0)	(73.0)	(306.0)	(206.8)
Other	(2.3)	(3.2)	-	1.1	-	-	-	(9.2)	(2.3)	(11.3)
Income/(expense)	455.3	372.8	383.2	326.9	176.4	138.5	(5.6)	(29.7)	1,011.4	810.3
EBITDA	-	-	-	-	-	-	137.2	83.4	-	-
Investment revenue	(6.9)	(2.6)	(9.6)	(21.0)	(1.6)	(2.9)	(21.5)	(51.8)	(39.6)	(77.6)
Other non-recurring items	(84.9)	(61.9)	(112.6)	(77.7)	(33.5)	(30.1)	(5.5)	(2.0)	(236.5)	(171.6)
Depreciation and amortization	363.5	308.3	261.0	228.2	141.3	105.5	104.6	(0.1)	735.3	561.1
EBIT	225.7	240.0	157.3	154.9	92.6	66.5	88.9	4.6	429.2	389.6
Net income	11.9	9.9	50.4	43.7	-	-	1.9	(7.4)	64.2	46.2
Minority share	213.8	230.1	106.9	111.2	92.6	66.5	87.0	12.0	365.0	343.4
Profit for the period	-	-	-	-	-	-	-	-	-	-

**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 EGP unless otherwise stated)

3. Profit and loss information
3.(A) Other expenses

	Nine-month ended		Three-month ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Other expenses*	38,449,373	15,575,702	8,218,840	7,710,600
Provision	35,892,069	65,134,703	10,674,902	989,507
	74,341,442	80,710,405	18,893,742	8,700,107

* Out of the total other expenses EGP 2,287,598 as of 30 September 2023, and EGP 11,271,526 as of 30 September 2022, are related to items before EBITDA, which is one of the key parameters looked at by management (Note 2).

3.(B) Finance cost - net

	Nine-month ended		Three-month ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Interest expense	1,040,586,787	586,343,679	382,255,052	228,049,681
Finance costs	1,040,586,787	586,343,679	382,255,052	228,049,681
Treasury bills and interest revenues	899,942,911	552,057,530	345,556,788	205,586,348
Finance income	899,942,911	552,057,530	345,556,788	205,586,348
Finance cost - net	(140,643,876)	(34,286,149)	(36,698,264)	(22,463,333)

3.(C) Income tax

The tax expense for the period differs from the theoretical amount that would arise using the tax rate applicable to the group as follows:

	Nine-month ended		Three-month ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Current income tax				
Income tax for the period	187,526,089	130,653,114	79,866,069	52,447,865
Deferred tax				
Deferred tax for temporary differences	(22,079,608)	6,609,757	(193,682)	10,351,670
Total current and deferred income tax	165,446,481	137,262,871	79,672,387	62,799,535

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 EGP unless otherwise stated)

3. Profit and loss information (continued)

3.(D) Earnings profit per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares issued, after considering the proposed employees' profit share.

	30 September 2023	30 September 2022
Net profit attributable to the shareholders of the parent company	364,985,760	343,387,446
Weighted average number of ordinary issued and paid shares	1,352,353,800	1,352,353,800
Basic earnings per share	0.270	0.254

4. Financial assets and financial liabilities

4.(A) Financial liabilities maturities

The amounts disclosed in the table below represent group liabilities based on the contractual cash outflows:

30 September 2023	Less than 6 months	6 months to 1 year	1-2 Years	More than 2 years
Non derivatives				
Trade payables and other credit balances	3,935,527,778	-	-	391,031,926
Due to related parties	205,489,447	-	-	-
Borrowings	198,791,853	207,775,885	441,775,691	2,314,846,131
Future interest payments	235,632,952	218,811,039	383,899,430	1,211,965,229
Bank facilities	5,890,691,428	-	-	-
Lease liability	37,069,869	30,329,892	75,475,854	1,531,963,265
Financial guarantee less likely to be paid*	383,025,414	-	-	-
31 December 2022	Less than 6 months	6 months to 1 year	1-2 Years	More than 2 years
Non derivatives				
Trade payables and other credit balances	3,407,872,666	-	-	328,752,388
Due to related parties	75,672,392	-	-	-
Borrowings	141,185,269	157,083,325	361,366,515	2,069,530,953
Future interest payments	176,048,218	172,929,185	306,635,073	1,230,443,823
Bank facilities	4,489,812,254	-	-	-
Lease liability	52,751,872	43,160,623	101,642,824	1,701,698,154
Financial guarantee less likely to be paid*	383,025,414	-	-	-

* Time deposits disclosed above include short-term deposits amounting to EGP 383,025,414 that are held by HSBC bank as collateral against the loan granted by HSBC Bank Egypt to Citadel Capital for International Investments and according to the Ordinary General Assembly Meeting held on 4 September 2022, it was approved to renew until 31 December 2023.

Notes to the interim condensed consolidated financial statements
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(In the notes all amounts are shown in EGP unless otherwise stated)

4. Financial assets and financial liabilities (continued)

4.(B) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The group shall be able to access the primary market or the most advantageous market. In the absence of a primary market, the Group does not need to conduct a comprehensive search of all potential markets in order to determine the primary market or the most advantageous market. However, the Group considers all reasonably available information.

There were no changes in valuation methods for Level 3 recurring fair value measurements during the period/year ended 30 September 2023 and 31 December 2022.

Level 1: The fair value of financial instruments traded in active markets (such as trading instruments) is based on quoted market prices (unadjusted) at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and over the counter derivatives.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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 EGP unless otherwise stated)

4. Financial assets and financial liabilities (continued)

4.(B) Fair value estimation (continued)

The following table presents the changes in level 3 items for the period/ year ended 30 September 2023 and 31 December 2022:

Assets / (liabilities)	Interest rate swap contracts – cash flow hedge	Assets carried at fair value through OCI (Investment in subsidiaries)	Total
Opening balance at 1 January 2022	(73,066,596)	51,261,460	(21,805,136)
Gains recognised through other comprehensive income	114,951,693	-	114,951,693
Foreign currency translation	(16,257,469)	-	(16,257,469)
Closing balance at 31 December 2022	25,627,628	51,261,460	76,889,088
Gains recognised in consolidated other comprehensive income	34,604,417	-	34,604,417
Foreign currency translation	6,553,368	-	6,553,368
Closing balance at 30 September 2023	66,785,413	51,261,460	118,046,873

Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See 4.2 above for the valuation techniques adopted.

Description	Fair value at		Un-observable inputs *	Range of Inputs		Valuation technique		Inputs used		Sensitivity analysis
	30 September 2023	31 December 2022		30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	
Assets carried at fair value through OCI (Investment in subsidiaries)	51,261,460	51,261,460	Credit default rate	1.3%	1.3%	Discounted Cash flows dollar offset method	Discounted Cash flows dollar offset method	Yield curve Terminal growth Growth rate for 5 years.	Yield curve Terminal growth Growth rate for 5 years.	If an observable input changed by 1%.
Interest rate swap contracts – cash flow hedge (TAQA Arabia for Solar Power)	66,785,413	25,627,628	Credit default rate	2.3%	2.3%	Discounted Cash flows dollar offset method	Discounted Cash flows dollar offset method	Yield curve Terminal growth Growth rate for 5 years.	Yield curve Terminal growth Growth rate for 5 years.	If an observable input changed by 1% , this will lead to a change in the fair value by EGP 58 million.

Notes to the interim condensed consolidated financial statements
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(In the notes all amounts are shown in EGP unless otherwise stated)

4. Financial assets and financial liabilities (continued)

4.(C) Financial instruments by category

Assets as per the consolidated statement of financial position	30 September 2023		
	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
Trade and other receivables (excluding non-financial assets)*	-	2,550,504,294	2,550,504,294
Due from related parties	-	44,354,425	44,354,425
Cash and cash equivalents	-	6,939,960,403	6,939,960,403
Financial assets at fair value through other comprehensive income	118,046,873	-	118,046,873
Total	118,046,873	9,534,819,122	9,652,865,995

Liabilities as per the consolidated statement of financial position	30 September 2023	
	Financial liabilities at amortised cost	Total
Trade and other payables (excluding non-financial liabilities) *	3,072,326,676	3,072,326,676
Borrowings	3,163,189,560	3,163,189,560
Bank facilities	5,890,691,428	5,890,691,428
Due to related parties	205,489,447	205,489,447
Lease liabilities	778,285,254	778,285,254
Total	13,109,982,365	13,109,982,365

Assets as per the consolidated statement of financial position	31 December 2022		
	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
Trade and other receivables (excluding non-financial assets)*	-	2,204,858,545	2,204,858,545
Due from related parties	-	72,502,020	72,502,020
Cash and cash equivalents	-	5,941,520,176	5,941,520,176
Financial assets at fair value through other comprehensive income	76,889,088	-	76,889,088
Total	76,889,088	8,218,880,741	8,295,769,829

**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 EGP unless otherwise stated)

4. Financial assets and financial liabilities (continued)

4.(C) Financial instruments by category (continued)

Liabilities as per the consolidated statement of financial position	31 December 2022	
	Financial liabilities at amortised cost	Total
Trade and other payables (excluding non-financial liabilities)*	3,559,681,543	3,559,681,543
Borrowings	2,729,166,062	2,729,166,062
Bank facilities	4,489,812,254	4,489,812,254
Due to related parties	75,672,392	75,672,392
Lease liabilities	734,021,171	734,021,171
Total	11,588,353,422	11,588,353,422

At the Balance sheet date, the carrying value of all short-term financial assets and liabilities approximates the fair value. Long-term borrowings also approximate the fair value as the loans bears a variable interest rate, so the fair value equals the principal amount.

- * Trade and other receivables presented above excludes prepaid expenses, advances to supplies and deposits with others.
- * Trade and other payables presented above excludes taxes payables, advances from customers and social insurances.

TAQA ARABIA COMPANY (S.A.E.) AND ITS SUBSIDIARIES

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(In the notes all amounts are shown in EGP unless otherwise stated)

5. Property, plant and equipment

	Land	Buildings	Leasehold improvement	Machinery & Equipment	Motor vehicles	Furniture, office equipment, & computer	Generators, networks & pipelines, & station equipment	Solar power plant	Total
At 1 January 2022									
Cost	10,470,621	274,588,880	169,933,881	332,373,087	55,115,420	65,879,655	981,924,538	989,231,763	2,879,517,845
Accumulated Depreciation	-	(70,856,467)	(26,392,780)	(95,764,516)	(32,595,494)	(48,339,560)	(291,278,283)	(106,836,758)	(672,063,858)
Net book value	10,470,621	203,732,413	143,541,101	236,608,571	22,519,926	17,540,095	690,646,255	882,395,005	2,207,453,987
Year ended 31 December 2022									
Opening net book value	10,470,621	203,732,413	143,541,101	236,608,571	22,519,926	17,540,095	690,646,255	882,395,005	2,207,453,987
Additions	-	22,273,506	183,555,476	32,032,728	6,708,744	13,399,958	212,221,148	*214,976,809	685,168,369
Depreciation charge	-	(13,143,752)	(18,733,849)	(24,753,841)	(6,334,105)	(9,527,858)	(58,846,431)	(54,483,965)	(185,823,801)
Disposals	-	(22,350,781)	-	(1,903,778)	(688,750)	(3,136,691)	(1,643,037)	-	(29,723,037)
Accumulated depreciation of disposals	-	5,494,567	-	1,782,134	606,083	3,160,310	1,643,037	-	12,686,131
Translation difference of cost	-	-	30,717	1,824,778	1,781,040	1,549,659	-	562,244,081	567,430,275
Translation difference of depreciation	-	-	(26,878)	(1,385,853)	(1,633,244)	(899,365)	-	(72,075,196)	(76,020,536)
Closing net book value	10,470,621	196,005,953	308,366,567	244,204,739	22,959,694	22,086,108	844,020,972	1,533,056,734	3,181,171,388
At 31 December 2022									
Cost	10,470,621	274,511,605	353,520,074	364,326,815	62,916,454	77,692,581	1,192,502,649	1,766,452,653	4,102,393,452
Accumulated Depreciation	-	(78,505,652)	(45,153,507)	(120,122,076)	(39,956,760)	(55,606,473)	(348,481,677)	(233,395,919)	(921,222,064)
Net book value	10,470,621	196,005,953	308,366,567	244,204,739	22,959,694	22,086,108	844,020,972	1,533,056,734	3,181,171,388
Year ended 30 September 2023									
Opening net book value	10,470,621	196,005,953	308,366,567	244,204,739	22,959,694	22,086,108	844,020,972	1,533,056,734	3,181,171,388
Additions	-	18,068,413	49,098,668	32,548,368	3,375,816	7,126,784	275,986,386	25,756,487	411,960,922
Depreciation charge	-	(10,055,235)	(19,898,521)	(21,379,152)	(5,780,567)	(7,816,512)	(51,764,335)	(66,618,123)	(183,312,445)
Disposals	-	-	-	-	(2,048,111)	-	-	-	(2,048,111)
Accumulated depreciation of disposals	-	-	-	-	1,756,270	-	-	-	1,756,270
Translation difference of cost	-	-	21,238	1,370,072	1,217,721	1,297,068	-	385,412,085	389,318,184
Translation difference of depreciation	-	-	(21,057)	(1,000,684)	(1,088,216)	(650,253)	-	(57,381,591)	(60,141,801)
Closing net book value	10,470,621	204,019,131	337,566,895	255,743,343	20,392,607	22,043,195	1,068,243,023	1,820,225,592	3,738,704,407
At 30 September 2023									
Cost	10,470,621	292,580,018	402,639,980	398,245,255	65,461,880	86,116,433	1,468,489,035	2,177,621,225	4,901,624,447
Accumulated Depreciation	-	(88,560,887)	(65,073,085)	(142,501,912)	(45,069,273)	(64,073,238)	(400,246,012)	(357,395,633)	(1,162,920,040)
Net book value	10,470,621	204,019,131	337,566,895	255,743,343	20,392,607	22,043,195	1,068,243,023	1,820,225,592	3,738,704,407

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5. Property, plant and equipment (continued)

- * As a result of the reduction in the value of the Egyptian pound against the foreign currencies during the year ended 2022, the group has capitalized foreign exchange losses with an amount of EGP 37,498,768 for the year ending on December 31, 2022 and an amount of EGP 25,509,605 for the period ending on March 31, 2023 as part of Solar power plant and this was according to appendix C of the Egyptian accounting standard (EAS 37) which has been added in respect to the decision of the prime minister no 4706 for year 2022.

Depreciation expense is allocated in the consolidated statement of profit or loss, as follows:

	30 September 2023	30 September 2022
Cost of sales	177,615,282	129,908,917
General and administration expenses	5,697,163	5,515,070
	183,312,445	135,423,987

6. Projects under construction

	30 September 2023	31 December 2022
Fuel stations and warehouses	601,199,939	455,959,694
CNG stations	364,494,117	183,296,995
Water stations	51,558,772	15,967,822
Networks and pipelines	35,608,780	14,819,707
Power stations	61,500,131	30,856,987
Others	14,524,997	3,113,912
	1,128,886,736	704,015,117

The below table shows the movement of projects under construction during the period / year:

	30 September 2023	31 December 2022
Balance as at 1 January	704,015,117	310,976,916
Additions during the period/year	614,543,761	1,045,469,758
Transferred to fixed assets	(189,409,730)	(649,209,424)
Transferred to intangible assets	(262,412)	(3,222,133)
Balance at end of the period/year	1,128,886,736	704,015,117

**Notes to the interim condensed consolidated financial statements
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7. Intangible assets

	30 September 2023	31 December 2022
Balance as at 1 January	194,545,519	136,046,443
Transfer from PUC	262,412	3,222,133
Additions	511,711	707,610
Amortization	(10,423,240)	(9,950,426)
Cost translation differences	49,275,018	72,315,877
depreciation translation differences	(6,142,091)	(7,796,118)
Ending balance	228,029,329	194,545,519

Amortization expense is allocated in the consolidated statement of profit or loss, as follows:

	30 September 2023	30 September 2022
Cost of sales	8,862,667	708,304
General and administrative expenses	1,560,573	1,877,581
	10,423,240	2,585,885

8. Right of use assets

	30 September 2023	31 December 2022
Balance at 1 January	663,901,237	469,464,899
Additions during the period / year	52,088,544	248,843,124
Amortization expenses	(42,754,418)	(47,136,326)
Exchange differences	1,573,958	1,972,632
Disposal	-	(9,243,092)
Settlement	(1,070,182)	-
Ending balance	673,739,139	663,901,237

Right of use assets represent properties rented by the group.

Amortization expense is allocated in the consolidated statement of profit or loss, as follows:

	30 September 2023	30 September 2022
Cost of sales	32,651,663	27,563,173
General and administrative expenses	10,102,755	6,076,799
	42,754,418	33,639,972

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9. Inventories

	30 September 2023	31 December 2022
Raw materials	871,280,487	654,879,595
Spare parts	179,309,006	94,649,264
Finished goods	158,160,134	95,901,866
	1,208,749,627	845,430,725
Less: provision of inventory write-downs	(8,170,441)	(8,106,936)
	1,200,579,186	837,323,789

10. Related parties

The Group 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 Group's board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management. The management decides the terms and conditions of transactions and services provided from/ to related parties, as well as other expenses.

The ultimate parent is Citadel Capital Company S.A.E.

10.1 The below table summarises the nature and volume of transactions with related parties during the year.

Name of the Company	Nature of relationship	Nature of transactions	30 September 2023	31 December 2022
Castrol Egypt	Associate	Sale of lubricants	140,771,285	140,786,927
ARESCO	Affiliate	Construction works	39,711,190	43,317,714
ASIC Automation	Affiliate	Construction works	28,005,322	165,386,163
Dina for agricultural investments	Affiliate	Sale of electricity	14,181,357	10,867,472

The transactions with related parties resulted in the following balances at year end:

10.2 Due from related parties – non-current

	30 September 2023	31 December 2022
Castrol Egypt	39,200,000	39,200,000
	39,200,000	39,200,000

**Notes to the interim condensed consolidated financial statements
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11. Borrowings (continued)

	30 September 2023	31 December 2022
Current portion		
IFC	103,304,665	80,992,200
NBE	142,145,814	85,435,323
Emirates NBD	30,298,834	28,181,741
HSBC	98,515,107	90,000,000
MID Bank	14,000,000	-
European bank for reconstruction & development EBRD	18,303,318	13,659,330
	<u>406,567,738</u>	<u>298,268,594</u>
	<u>3,163,189,560</u>	<u>2,729,166,062</u>

12. Provisions

	30 September 2023	31 December 2022
Beginning balance	375,829,216	278,606,117
Provisions formed	35,892,069	151,212,743
Provisions used	(25,476,824)	(71,825,715)
Transfer from liabilities	3,113,063	17,836,071
Ending balance	<u>389,357,524</u>	<u>375,829,216</u>

The provisions for claims have been formed against the probable claims from external parties in relation to group activities. Information usually published on the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with that party. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

13. Paid up capital

The Group's authorized capital is EGP 1,200,000,000 represented in 120,000,000 ordinary shares of EGP 10, each.

The issued and fully paid up share capital of the Company is EGP 676,176,900 represented in 67,617,690 ordinary shares of EGP 10, each.

In the Extraordinary General Assembly meeting held on 22 December 2019, it was approved to implement the share split by adjusting the nominal value of the share from EGP 10 (ten Egyptian pounds) to EGP 0.5 (half an Egyptian pound). The assembly was approved on 24 December 2019.

Accordingly, the group's authorized capital will be EGP 1,200,000,000 represented in 2,400,000,000 ordinary shares of EGP 0.5, each.

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13. Paid up capital (continued)

The issued and fully paid up share capital of the Company is EGP 676,176,900 represented in 1,352,353,800 ordinary shares of EGP 0.5 (Half Egyptian pound), each.

The following table presents the paid-up capital as of 30 September 2023:

Shareholders	Number of shares	Capital EGP	Participation %
National Service Project Organization	270,470,760	135,235,380	20.00%
Financial Holdings International LTD	240,493,879	120,246,939	17.78%
Silverstone Capital Investments LTD	239,120,668	119,560,334	17.68%
Rimco EGT Investment LLC	195,896,118	97,948,059	14.49%
Nile Energy LTD	101,426,535	50,713,267	7.50%
Trimstone Assets Holdings LTD	75,610,440	37,805,220	5.59%
Hana Investment Co (W,L,L)	67,617,700	33,808,850	5.00%
Startford Investments LTD	53,417,975	26,708,987	3.95%
Mr. Ali Bn Hassan Dayakh	53,031,300	26,515,650	3.92%
Other investors	55,268,425	27,634,214	4.09%
	1,352,353,800	676,176,900	100%

14. Derivative financial instrument asset

	30 September 2023	31 December 2022
Derivative financial instrument - interest rate swap	66,785,413	25,627,628
	66,785,413	25,627,628

TAQA Solar company a subsidiary of TAQA Arabia has entered into a finance agreement with International finance Corporation to obtain a loan to finance the Solar energy project, by which the company was obliged to cover the risk of change in variable interest rates for 6 months US dollar Libor rate and this by entering an interest rate swap contract and this by fixing 6 months US dollar Libor rate to be 3.417%.

The main terms of the transactions are as follows:

Effective date: 2 July 2018

Termination date: 15 Jan 2032.

Fixed rate paid by the company is 3.417%.

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14. Derivative financial instrument asset (continued)

The following table summarizes the hedging asset movement:

Interest rate swaps – cash flow hedges

Balance at 1 January 2022	(73,066,596)
Recognition of fair value of interest rate swaps contract	114,951,693
Cumulative translation differences	<u>(16,257,469)</u>
Balance at 31 December 2022 and 1 January 2023	25,627,628
Recognition of fair value of interest rate swaps contract	34,604,417
Cumulative translation differences	<u>6,553,368</u>
Balance at 30 September 2023	<u>66,785,413</u>

15. Significant accounting policies

The following is a summary of the most important accounting policies used in the preparation of the consolidated financial statements, which are consistently applied to all financial years presented, unless otherwise stated.

15.1 Basis for preparing condensed consolidated financial statements
A) Compliance with Egyptian accounting standards

The interim condensed consolidated financial statements for the period ended 30 September 2023 have been prepared in accordance with the requirements of the Egyptian Accounting Standards (30) “Interim Financial Statements”.

These interim condensed consolidated financial statements don’t contain all the information required in preparing the full annual financial statements and should be read in conjunction with the company’s annual consolidated financial statements as at 31 December 2022.

B) Significant accounting policies applied

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets that are measured at fair value or amortized cost, as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Group is not subject to any significant seasonality or cyclicity. The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2022.

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15. Significant accounting policies (continued)
15.1 Basis for preparing condensed consolidated financial statements (continued)
C) New releases and amendments to the EAS

The Minister of Investment issued Decision No. 883 of 2023 on 6 March 2023, amending some provisions of Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. These amendments to the accounting standards were published in the Official Newspaper on 6 March 2023. The group has evaluated the effect of applying these amendments, and there is no material impact from these new issuances and amendments on the group and its activities during the financial period ending on 30 September 2023. The most important amendments are summarized as follows, which are implemented for the financial periods beginning on or after January 1, 2023:

Standard name	Modification summary	Application date
Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation"	<p>"Scope of the standard" The scope of the standard has been amended to include "bearer plants".</p> <p>"Measuring" - An option to apply the revaluation model for fixed assets has been added.</p> <p>- The fair value is determined by an estimate made by experts specialized in evaluation and valuation among those registered in a register designated for that in the Financial Regulatory Authority.</p> <p>- Paragraph 20 / A has been added, according to which the entity 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.</p> <p>"Disclosures" Some new disclosures have been added to the re-evaluation model.</p>	<p>The entity applies the amendments to add the option to use the re-evaluation model on the financial periods beginning on or after January 1, 2023.</p> <p>This is retrospective with recognition of the cumulative effect of applying the revaluation model initially by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company adopts this model for the first time.</p>
Egyptian Accounting Standard No. (23) "Intangible Assets"	<p>"Scope of the standard" The scope of the intangibles standard has been amended to include rights held by the lessee under licensing</p>	<p>The entity applies the amendments to add the option to use the re-evaluation model on the financial</p>

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Standard name	Modification summary	Application date
	<p>agreements for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights.</p> <p>"Measurement" - The option to apply the revaluation model for intangible assets has been added</p> <p>- The fair value is determined by an estimate made by experts specialized in evaluation and valuation among those registered in a register designated for that in the Financial Supervisory Authority.</p> <p>"Disclosures" Some new disclosures have been added to the re-evaluation form</p>	<p>periods beginning on or after January 1, 2023.</p> <p>This is retrospective, with recognition of the cumulative effect of applying the revaluation model initially by adding it to the revaluation account within equity at the beginning of the financial period in which the establishment 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, as the generation of revenues related to the asset reflects factors other than the consumption of the economic benefits related to the asset.</p> <p>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 fiscal periods beginning on or after January 1, 2023</p>
<p>Egyptian Accounting Standard No. (34) "Investment Property"</p>	<p>"Measurement" The option to apply the fair value model for investment property has been added.</p> <p>The fair value is determined by an estimation that is carried out by experts specialized in evaluation and valuation among those registered in a register designated for that in the General Authority for Financial Supervision.</p>	<p>The entity applies the amendments to add the option of using the fair value model to the financial periods that start on or after January 1, 2023, with retrospective effect, with recognition of the cumulative effect to apply the fair value model initially by adding it to the fair value surplus account within equity at the beginning of the financial period in which the entity applies this model for the first time.</p>
<p>Egyptian Accounting</p>	<p>"Measurement"</p>	<p>The entity applies the</p>

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Standard name	Modification summary	Application date
Standard No. (36) "Exploration and Evaluation of Mineral Resources"	<p>The option of using the re-evaluation model has been added, and it is processed according to the re-evaluation model in Fixed Assets Standard No. 10. - Evaluation is carried out by experts specialized in evaluation and valuation among those registered in a register designated for that at the Ministry of Petroleum.</p> <p>"Disclosures" - Some new disclosures have been added to the re-evaluation model.</p>	amendments to add the option to use the revaluation model on the financial periods that start on or after January 1, 2023, retrospectively, with recognition of the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus account within equity at the beginning of the fiscal period in which the entity applying this form for the first time.
Egyptian Accounting Standard No. (49) "Lease Contracts"	<p>"Measurement" The option of the revaluation model was added to all right of use assets, if the right of use asset is related to a category of fixed assets in which the lessee applies the revaluation model contained in Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation"</p> <p>"Disclosures" Some new disclosures have been added regarding the revaluation model in accordance with Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation".</p>	The entity applies the amendments to add the option of using the revaluation model to the financial periods starting on or after January 1, 2023, retrospectively, with recognition of the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus account next to the equity at the beginning of the fiscal period in which the facility is based applying this form for the first time.
Egyptian Accounting Standard No. (35) "Agriculture"	<p>"Scope of the standard" The scope of the standard has been amended as bearer plants related to agricultural activity have been excluded from the agriculture standard to become under the scope of the Fixed Assets Standard Accounting Standard No. 10, but this standard applies to the product that grows on fruit plants - government grants related to fruit plants have been excluded.</p> <p>"Definitions" an amendment to some definitions, whereby the definition of "bearer plants" was added.</p>	The amendments apply to fiscal periods beginning on or after January 1, 2023
Egyptian Accounting Standard No. (50) "Insurance Contracts"	- The new Egyptian Accounting Standard No. (50) "Insurance Contracts" replaces the amended Egyptian Accounting Standard No.	The application is made available from July 1, 2024, or the beginning of the annual fiscal period after July 1, 2024

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Standard name	Modification summary	Application date
	<p>(37).</p> <p>- This standard defines the principles for proving insurance contracts that fall within the scope of this standard, and determines their measurement, presentation and disclosure. Appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the necessary basis for evaluating the effects of those insurance contracts on the entity's financial position, financial performance and cash flows.</p> <p>An entity shall apply Egyptian Accounting Standard No. 50 to: insurance contracts, including reinsurance contracts, that it issues; reinsurance contracts it holds; and investment contracts with facultative participation features that the entity issues, provided that the entity also issues insurance contracts.</p>	

16. Critical accounting estimates and judgements in applying accounting policies

Estimates and adjustments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

16.1 Accounting estimates and assumptions

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated interim financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated interim financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

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**16. Critical accounting estimates and judgements in applying accounting policies
(continued)**

16.1 Accounting estimates and assumptions (continued)

(a) Impairment in goodwill

The Group tests annually whether it is probable that goodwill may suffer any impairment in value, based on the recoverable amount for the cash generating unit which estimated by calculating value in use using net estimated cash flows before taxes based on approved budgets from the Group management during next five years. Group management determines assumptions related to discount rates and cash flow forecasting based on sales growth, operating costs, estimated profits. Taking into consideration capital expenditures for future renewable plans.

(b) Expected credit losses for trade receivables

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs of the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

(c) Deferred income tax assets recognition

The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. This includes temporary difference expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilized. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

(d) Provisions

Provisions are related to claims expected to be made by third parties in connection with the Group's operations. Provisions is recognised based on management study and in-light of its advisors opinion and shall be used for its intended purposes. In case of any differences between the actual claims received and the preliminary recorded amounts, such differences will affect the year in which these differences are occurred.

(e) Useful lives of property, plant, and equipment

The estimation of the useful lives of items of property, plant and equipment is a matter of judgement based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

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16. Critical accounting estimates and judgements in applying accounting policies (continued)

16.2 Critical Judgements in applying the Group accounting policies

In general, applying the Group accounting policies does not require judgments (apart from those involving estimates, refer to **Note 16-1**) that have significant effects on the amounts recognised in the consolidated interim financial statements.

Critical judgments made by management in the application of EAS and key sources of estimation uncertainties were the same as those applied to the consolidated financial statements of the year ended 31 December 2022.

17. Significant events

- i) On 9 July 2023, TAQA Arabia announced the start of trading of its shares on The Egyptian Exchange (EGX). The company's ownership structure has been changed as presented in note (6) and as a result of this trading process Silverstone Capital Investments LTD lost the control of TAQA Arabia Company, accordingly it is no longer being the parent company.