

**Elsewedy Electric Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Financial Statements**  
**for the Financial Year Ended 31 December 2024**  
**and independent Auditor's Report**

Translated from Arabic

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**Consolidated Financial Statements**  
**For the Financial Year Ended 31 December 2024**

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## **Hazem Hassan**

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Translated from Arabic

### **Independent Auditor's Report on the Consolidated Financial Statements To/ The Shareholders of Elsewedy Electric Company (Egyptian Joint Stock Company)**

#### ***Report on the financial statements***

We have audited the accompanying consolidated financial statements of Elsewedy Electric Company (Egyptian Joint Stock Company) as at 31 December 2024 which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### ***Management's Responsibility for the Financial Statements***

These consolidated financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Egyptian Accounting Standards and in light of prevailing Egyptian laws and regulations. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are appropriate in the circumstances.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws and regulations. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



**Hazem Hassan**

Translated from Arabic

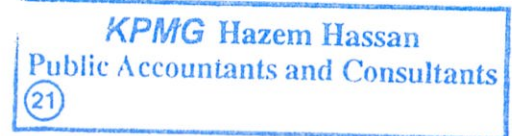
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Elsewedy Electric Company (Egyptian Joint Stock Company) as of 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

*KPMG Hazem Hassan*  
**KPMG Hazem Hassan**  
**Public Accountants and Consultants**

Cairo 13 March 2025



**Elsowedy Electric Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Financial Position as of:**

EGP	Note / Policy	31 December 2024	31 December 2023
<b>Assets</b>			
Property, plant and equipment	(17),(45-2)	27 543 762 675	18 009 166 367
Right of use assets	(19),(45-16)	496 953 678	880 980 101
Investment property	(18),(45-19)	60 026 536	61 033 092
Equity- accounted investees	(20),(45-1)	6 474 047 538	3 802 844 269
Due from related parties	(38),(45-14)	133 150 622	111 110 144
Trade and other receivables	(21),(45-14)	1 894 117 052	2 770 745 661
Intangible assets and goodwill	(22),(45-4)	1 459 194 548	1 261 762 247
Deferred tax assets	(14-1),(45-12)	2 362 632 290	726 284 664
<b>Non-current assets</b>		<b>40 423 884 939</b>	<b>27 623 926 545</b>
Inventories	(23),(45-5)	56 795 884 068	30 881 822 082
Contract assets	(25),(45-14)	18 051 966 570	16 179 633 722
Industrial real state development	(24)	6 164 646 988	1 218 260 843
Trade and other receivables	(26),(45-14)	86 736 309 423	46 591 885 092
Due from related parties	(38),(45-14)	2 299 918 506	2 553 915 781
Investment in debt securities at amortized cost	(27),(45-14)	874 525 871	847 165 963
Cash and cash equivalents	(28)	38 180 002 322	25 552 044 800
<b>Current assets</b>		<b>209 103 253 748</b>	<b>123 824 728 283</b>
<b>Total assets</b>		<b>249 527 138 687</b>	<b>151 448 654 828</b>
<b>Equity</b>			
Issued and paid-up capital	(29),(45-6)	2 140 777 876	2 170 777 876
ESOP shares issued not granted		( 1 422 160)	( 1 422 160)
Reserves	(30)	8 514 968 667	3 942 000 468
Treasury shares	(31),(45-6)	-	( 254 137 884)
Retained earnings		44 620 588 973	29 867 247 832
<b>Equity attributable to owners of the parent company</b>		<b>55 274 913 356</b>	<b>35 724 466 132</b>
Non-controlling interests	(41),(45-1)	4 251 771 900	2 384 013 396
<b>Total equity</b>		<b>59 526 685 256</b>	<b>38 108 479 528</b>
<b>Liabilities</b>			
Loans and borrowings	(32),(45-14)	6 349 010 708	6 815 681 966
Deferred tax liabilities	(14-2),(45-12)	3 669 892 743	1 809 916 821
Due to related parties	(38),(45-14)	94 611 605	81 722 342
Provisions	(35),(45-8)	942 646 031	752 369 068
Other liabilities	(42),(45-14)	2 631 482 147	774 053 299
<b>Non-current liabilities</b>		<b>13 687 643 234</b>	<b>10 233 743 496</b>
Loans and borrowings	(32),(45-14)	52 733 931 099	34 950 810 105
Trade and other payables	(33),(45-14)	54 808 185 042	31 938 122 060
Contract liabilities	(34),(45-14)	53 281 056 753	25 060 328 092
Due to related parties	(38),(45-14)	2 050 078 425	3 106 746 671
Provisions	(35),(45-8)	13 439 558 878	8 050 424 876
<b>Current liabilities</b>		<b>176 312 810 197</b>	<b>103 106 431 804</b>
<b>Total liabilities</b>		<b>190 000 453 431</b>	<b>113 340 175 300</b>
<b>Total equity and liabilities</b>		<b>249 527 138 687</b>	<b>151 448 654 828</b>

The notes from no.(1) to (45) are an integral part of these consolidated financial statements.

Group Chief Financial Officer

Mr. Ahmed Shokry

Managing Director

Eng. Ahmed Ahmed Sadek El Sewedy

Chairman

Mr. Sadek Ahmed Sadek El Sewedy

**Elsewedy Electric Company**  
**( An Egyptian Joint Stock Company)**  
**Consolidated Statement of Profit or Loss**

		<b>For the financial year ended 31 December</b>	
<b>EGP</b>	<b>Note / Policy</b>	<b>2024</b>	<b>2023</b>
Revenues	(5),(45-9)	231 981 835 577	152 186 247 545
Cost of revenue	(6),(45-10)	(188 083 314 674)	(123 108 958 742)
<b>Gross profit</b>		<b>43 898 520 903</b>	<b>29 077 288 803</b>
Other income	(9),(45-9)	3 943 112 948	1 377 419 685
Selling and distribution expenses	(7),(45-10)	(4 585 404 666)	(2 670 371 570)
General and administrative expenses	(8),(45-10)	(7 584 862 689)	(5 977 797 154)
Net impairment loss on trade and other receivables	(10),(45-15)	(1 310 362 947)	( 502 542 890)
Other expenses	(11),(45-10)	(5 019 284 405)	(3 564 878 625)
<b>Operating profit</b>		<b>29 341 719 144</b>	<b>17 739 118 249</b>
Finance income	(12),(45-9)	4 247 625 658	2 818 868 796
Finance costs	(12),(45-9)	(7 762 991 604)	(4 943 231 073)
<b>Net finance costs</b>	(12)	<b>(3 515 365 946)</b>	<b>(2 124 362 277)</b>
	(20)		
Group's share of profit of equity-accounted investees, net of tax		1 132 366 257	603 624 972
<b>Profit for the year before tax</b>		<b>26 958 719 455</b>	<b>16 218 380 944</b>
Income tax expense	(13),(45-12)	(8 121 510 082)	(5 080 406 688)
<b>Profit for the year</b>		<b>18 837 209 373</b>	<b>11 137 974 256</b>
<b>Profit attributable to:</b>			
Owners of the parent company		17 461 358 714	10 115 701 777
Non-controlling interests		1 375 850 659	1 022 272 479
		<b>18 837 209 373</b>	<b>11 137 974 256</b>
<b>Basic earning per share</b>	(40),(45-13)	<b>7.22</b>	<b>4.26</b>
<b>Diluted earning per share</b>	(40),(45-13)	<b>7.21</b>	<b>4.25</b>

The notes from no.(1) to (45) are an integral part of these consolidated financial statements.

**Elsowedy Electric Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Comprehensive Income**

<b>EGP</b>	<b>For the financial year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
Profit for the year	18 837 209 373	11 137 974 256
<b><u>Other comprehensive income:</u></b>		
Foreign operations translation differences	5 120 673 603	1 385 900 028
<b>Other comprehensive income for the year</b>	<b>5 120 673 603</b>	<b>1 385 900 028</b>
<b>Total comprehensive income for the year</b>	<b>23 957 882 976</b>	<b>12 523 874 284</b>
<b>Total comprehensive income attributable to :</b>		
Owners of the parent company	21 962 550 297	11 424 049 520
Non-controlling interests	1 995 332 679	1 099 824 764
	<b>23 957 882 976</b>	<b>12 523 874 284</b>

The notes from no.(1) to (45) are an integral part of these consolidated financial statements.

Elsowedy Electric Company

(An Egyptian Joint Stock Company)

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

Translated from Arabic

EGP	Note / Policy	Issued and paid-up capital	ESOP shares issued not granted	Treasury shares	Reserves			Retained earnings attributable to owners of the parent company	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
					Legal reserve	Foreign operations translation differences reserve	Total reserves				
Balance as at 1 January 2023		2 170 777 876	( 1 422 160)	( 254 137 884)	436 836 000	2 079 301 847	2 516 137 847	21 578 808 504	26 010 164 183	1 635 139 443	27 645 303 626
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	10 115 701 777	10 115 701 777	1 022 272 479	11 137 974 256
Foreign operations translation differences		-	-	-	-	1 308 347 743	1 308 347 743	-	1 308 347 743	77 552 285	1 385 900 028
Total comprehensive income for the year		-	-	-	-	1 308 347 743	1 308 347 743	10 115 701 777	11 424 049 520	1 099 824 764	12 523 874 284
Transactions with owners of the parent company and others											
Contributions and distributions											
Transferred to legal reserve during the year	(30-1)	-	-	-	117 514 878	-	117 514 878	( 117 514 878)	-	-	-
shareholders dividends		-	-	-	-	-	-	(1 583 793 297)	(1 583 793 297)	( 332 561 626)	(1 916 354 923)
Dividends to employees and board of directors' remunerations		-	-	-	-	-	-	( 125 954 274)	( 125 954 274)	( 18 389 185)	( 144 343 459)
Total contributions and distributions		-	-	-	117 514 878	-	117 514 878	(1 827 262 449)	(1 709 747 571)	( 350 950 811)	(2 060 698 382)
Total transactions with owners of the parent company and others		-	-	-	117 514 878	-	117 514 878	(1 827 262 449)	(1 709 747 571)	( 350 950 811)	(2 060 698 382)
Balance as at 31 December 2023		2 170 777 876	( 1 422 160)	( 254 137 884)	554 350 878	3 387 649 590	3 942 000 468	29 867 247 832	35 724 466 132	2 384 013 396	38 108 479 528
Balance as at 1 January 2024		2 170 777 876	( 1 422 160)	( 254 137 884)	554 350 878	3 287 649 590	3 942 000 468	29 867 247 832	35 724 466 132	2 384 013 396	38 108 479 528
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	17 461 358 714	17 461 358 714	1 375 850 659	18 837 209 373
Foreign operations translation differences		-	-	-	-	4 501 191 583	4 501 191 583	-	4 501 191 583	619 482 020	5 120 673 603
Total comprehensive income for the year		-	-	-	-	4 501 191 583	4 501 191 583	17 461 358 714	21 962 550 297	1 995 332 679	23 957 882 976
Transactions with owners of the parent company and others											
Contributions and distributions											
Transferred to legal reserve during the year	(30-1)	-	-	-	71 776 616	-	71 776 616	( 71 776 616)	-	-	-
Treasury stock retirement	(45-6),(31)	( 30 000 000)	-	254 137 884	-	-	-	( 224 137 884)	-	-	-
shareholders dividends		-	-	-	-	-	-	(2 244 367 017)	(2 244 367 017)	( 99 348 862)	(2 343 715 879)
Dividends to employees and board of directors' remunerations		-	-	-	-	-	-	( 167 736 056)	( 167 736 056)	( 28 225 313)	( 195 961 369)
Total contributions and distributions		( 30 000 000)	-	254 137 884	71 776 616	-	71 776 616	(2 708 017 573)	(2 412 103 073)	( 127 574 175)	(2 539 677 248)
Total transactions with owners of the parent company and others		( 30 000 000)	-	254 137 884	71 776 616	-	71 776 616	(2 708 017 573)	(2 412 103 073)	( 127 574 175)	(2 539 677 248)
Balance as at 31 December 2024		2 140 777 876	( 1 422 160)	-	626 127 494	7 788 841 173	8 514 968 667	44 620 588 973	55 274 913 356	4 251 771 900	59 526 685 256

The notes from no.(1) to (45) are an integral part of these consolidated financial statements.



**Elsowedy Electric Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Cash Flows**

		<b>For the financial year ended 31 December</b>	
<b>EGP</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Profit for the year before tax		26 958 719 455	16 218 380 944
<b>Adjustments For :</b>			
Depreciation of property plant and equipment	(17)	2 019 646 871	2 120 789 808
Depreciation of investment property		1 472 753	6 388 342
Amortization of intangible assets	(22)	80 726 323	53 947 575
Depreciation of right of use assets	(19)	157 899 859	114 861 231
Impairment of goodwill & intangible asset	(11)	270 053 406	29 037 988
Net finance costs	(12)	3 515 365 946	2 124 362 277
impairment of property plant and equipment	(17)	14 880 711	80 530 487
Share of profit of equity-accounted investees, net of tax	(20)	(1 132 366 257)	( 603 624 972)
Gain from acquiring subsidiaries companies	(20-2)	( 148 107 217)	-
Gain on previously held interest recognized in profit or loss	(20-2)	( 956 554 641)	-
Gain on sale of property, plant and equipment	(9)	( 400 506 471)	( 57 392 907)
		<b>30 381 230 738</b>	<b>20 087 280 773</b>
<b>Changes in :</b>			
Inventories		(25 914 061 986)	(6 702 074 509)
Contract assets		(1 872 332 848)	(5 729 229 658)
Trade and other receivables		(35 574 511 157)	(10 789 031 200)
Due from related parties		231 956 797	(1 015 387 318)
Trade and other payables		16 552 142 972	3 039 303 438
Contract liabilities		28 220 728 661	8 109 171 727
Other liabilities		1 857 428 848	58 214 334
Due to related parties		(1 043 778 983)	1 396 065 450
Industrial real state development		(1 624 757 233)	176 491 985
Dividends to employees and board of directors' remunerations		( 167 736 056)	( 125 954 274)
Provisions		5 531 122 778	3 175 954 183
<b>Cash flows from operating activities</b>		<b>16 577 432 531</b>	<b>11 680 804 931</b>
Income tax paid		(4 891 041 517)	(2 043 652 313)
Interest paid		(7 706 942 082)	(4 898 384 621)
<b>Net cash flows from operating activities</b>		<b>3 979 448 932</b>	<b>4 738 767 997</b>
<b>Cash flows from investing activities</b>			
Paid for acquisition of property, plant and equipment and projects under construction		(8 489 780 912)	(4 748 595 385)
Paid for acquisition investment property		( 466 197)	-
Interest received		708 207 230	455 375 762
Acquisition of intangible assets		( 275 915 577)	( 81 369 731)
Dividends received from equity-accounted investees		-	42 865 774
Proceeds from sale of property, plant and equipment		832 971 362	412 836 014
Paid for acquisition of equity - accounted investees		( 811 231 499)	( 183 741 860)
Net (Paid) / Proceed from Investment in debt securities - at amortized cost		( 27 359 908)	55 899 365
<b>Net cash flows used in investing activities</b>		<b>(8 063 575 501)</b>	<b>(4 046 730 061)</b>
<b>Cash flows from financing activities</b>			
shareholders dividends		(2 175 979 823)	(1 583 793 297)
Payment of lease liabilities		( 142 725 449)	( 75 741 329)
Proceeds from loans and borrowings		15 351 373 941	5 944 692 719
Paid for acquiring subsidiaries companies		( 929 775 194)	
Dividends paid to non-controlling interest of subsidiaries		( 195 961 369)	( 350 950 811)
<b>Net cash from financing activities</b>		<b>11 906 932 106</b>	<b>3 934 207 282</b>
<b>Net change in cash and cash equivalents</b>		<b>7 822 805 537</b>	<b>4 626 245 218</b>
Cash and cash equivalents at 1 January	(28)	25 552 044 800	19 715 749 761
Effect of movement in exchange rate on cash held		4 805 151 985	1 210 049 821
<b>Cash and cash equivalents at 31 December</b>	(28)	<b>38 180 002 322</b>	<b>25 552 044 800</b>

The notes from no.(1) to (45) are an integral part of these consolidated financial statements.

Elsewedy Electric Company  
(An Egyptian Joint Stock Company)

Notes to the consolidated Financial Statements for the year ended 31 December 2024

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## **1- Reporting entity**

- Elsewedy Electric Company “Previously Elsewedy Cables Company” (The Company) is an Egyptian Joint Stock Company that was established under the Investment Incentives and Guarantees Law No. (8) of year 1997 and its executive regulations which is superseded by law No. (72) of year 2017.
- The Company was registered in the commercial register under no. 14584 on 1 June 2005.
- The extraordinary general assembly meeting on 19 April 2010 decided to change the Company name from Elsewedy Cables Company to Elsewedy Electric Company. This change was registered in the Company’s commercial register on 4 October 2010.
- The Company obtained the approval of Misr for Central Clearing, Depository, and Registry Company on 31 October 2010 for changing its name, also it changed its name in the Egyptian Stock Exchange after obtaining the approval of the Securities Listing Committee.
- The duration of the Company is 25 years starting from 1 June 2005.
- These consolidated financial statements comprise the Elsewedy Electric Company (The Parent Company) and its subsidiaries (together referred to as “The Group”) - Note No. (38).

## **1-1 Group’s operations**

- Production of power cables, electricity poles, towers, transformers, and terminators.
  - Production of Joint accessories, terminators for electrical power cables, electrical power cable, telephone cables.
  - Production of electrical wires and cables with aluminum or copper and connectors either coated or not coated, with low, med, and high potential.
  - Production of (PVC) with its forms and byproducts.
  - Building, managing, operating, and maintaining power generation units and power nets.
- Each activity has an independent center and the required licenses should be acquired.

## **1-2 Foreign branches**

Elsewedy Electric Company (The Parent Company) has the following two foreign branches:

### **A- Tanzania Branch**

- The Company established a branch in Tanzania during 2018 and on 11 December 2018 the management entered a joint operation through this branch with the Arab Contractors Company "Othman Ahmed Osman" for the purpose of building Julius Nyerere Dam.
- The branch recognizes its share, which is 45% in the joint operation, over which the branch has exercised joint control, in accordance with the contractual agreement between the parties after unifying any discrepancy in the applied accounting policies. The financial statements of the Group include its share of the assets in joint operation, together with its share of the liabilities, revenues and expenses.
- According to the main original contract, the project of Building Julius Nyerere Dam was planned to be completed on 30 June 2022. The last formal extension of the project will be ending in May 2025 and about 99.06% of the project has been delivered on 31 December 2024.
- The main original contract also stipulates a three-years warranty period starting from the date of issuance of the initial handover certificate of the project, where the joint operation and the branch remain exist during the warranty period to meet its contractual obligations.
- Elsewedy Electric Company’s management intends to maintain its branch in Tanzania even after the project’s completion as a representative of Elsewedy Electric Company to expand its operations in Tanzania with the full support to the branch, whenever it’s necessary. Accordingly, the management has a reasonable expectation that the branch will continue its operational activities in the foreseeable future.

Elsewedy Electric Company  
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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

## **B- Burkina Faso Branch**

- The Company established a branch in Burkina Faso on 17 March 2022, and entered into an agreement with the National Electricity Company of Burkina Faso (Sonabel) to carry out the construction works of the Photovoltaic Power Plant (42 MW) and the 90/33 KV Substation in the Northern Ouagadougou Region for the purpose of developing Solar Photovoltaic Plants and Strengthening the National Electricity System.
- According to the main original contract, the duration of the project ended on 30 April 2023, and on 8 January 2024, the project was extended for the second time to be ended on 31 May 2024. And from 23 February 2024, the project period has been extended for two years, ending on 22 February 2026.
- The contract also stipulates a two-years warranty period starting from the date of issuing the initial handover certificate of the project.
- Elsewedy Electric Company's management intends to maintain its branch in Burkina Faso even after the project's completion as a representative of Elsewedy Electric Company to expand its operations in Burkina Faso with the full support to the branch, whenever it's necessary. Accordingly, the management has a reasonable expectation that the branch will continue its operational activities in the foreseeable future.

## **2- Basis of accounting of consolidated financial statements**

### **2-1 Compliance with accounting standards and laws**

- These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and the Egyptian laws and regulations.
- The consolidated financial statements were approved by the Board of Directors on 12 March 2025.
- The mentioned accounting policies and basis in note no. (45) are followed.

### **2-2 Basis of measurement**

These consolidated financial statements have been prepared under the historical cost basis, except for :

- Financial assets and liabilities that are recorded at fair value through profit or loss.
- Financial assets and liabilities that are recorded at fair value through other comprehensive income.
- Financial assets and liabilities that are recorded at amortized cost.
- For presentational purposes, the current and non-current classification has been used for the consolidated financial statement of Financial Position, while expenses are analysed in consolidated statement of income using a classification based on their function. The direct method has been used in preparing the consolidated statement of cash flows.

## **3- Presentation currency**

These consolidated financial statements are presented in Egyptian pounds.

## **4- Use of judgments and estimates**

- In preparing these consolidated financial statements, the management has made judgements and estimates about the future which affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management where appropriate. any revisions to accounting estimates are recognized prospectively.

Elsewedy Electric Company  
(An Egyptian Joint Stock Company)

Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

#### **4-1 Judgements**

- Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:
  - Note No. (45-9): Revenue recognition: whether revenue is recognized at a point in time or over time.
  - Note No. (45-1): Business combination: whether the Group has actual control over an investee.
  - Note No. (45-16): Lease contract: whether the Group is reasonably certain about exercising extension's options.
  - Note No. (45-1): Equity-accounted investee: whether the Group has significant influence over an Investee.

#### **4-2 Assumptions and estimations uncertainties**

- Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:
  - Note No. (45-9): Revenue recognition: Estimate of expected returns.
  - Note No. (45-12): Uncertain tax treatments.
  - Note No. (45-4): Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs.
  - Note No. (45-15): Measurement of ECL allowance for trade and notes receivables and other receivables and contract assets: key assumptions in determining the weighted-average loss rate.
  - Note No. (45-1): Acquisition of subsidiaries: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired, and liabilities assumed, measured on a provisional basis.
  - Note No. (45-12): Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.
  - Note No. (45-8): Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources, assumption related to warranty provision, Provision for restoring of the site, and provision for transfer cost.

#### **Measurement of fair values**

- A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.
- The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including three levels of fair value, and reports directly to the board of directors.
- The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Egyptian Accounting Standards, including the level in the fair value hierarchy in which the valuation should be classified.
- Significant valuation variances are reported to the audit committee.
- When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.
- Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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**Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** Inputs for the asset or liability that are not based on observable market data (unobservable

- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
- Further information about the assumptions made in measuring fair values is included in the following notes:
  - Policy No. (45-14): Financial instruments.
  - Policy No. (45-1): Acquisition of subsidiaries.
  - Policy No. (45-19): Investment property.

## 5- **Revenue**

### 5-1 **Revenue classification according to the timing of revenues recognition**

EGP	2024	2023
Recognized revenue at a point in time	161 060 387 592	98 703 443 544
Recognized revenue over time	70 921 447 985	53 482 804 001
	<b>231 981 835 577</b>	<b>152 186 247 545</b>

### 5-2 **Revenue classification in accordance with the primary geographical market**

EGP	2024	2023
Inside Egypt	165 678 737 484	105 785 922 943
Outside Egypt	66 303 098 093	46 400 324 602
	<b>231 981 835 577</b>	<b>152 186 247 545</b>

### 5-3 **Revenue classification in accordance with the major products and services lines**

EGP	2024	2023
Cables	137 189 798 892	82 421 265 314
Electrical products and its accessories	23 870 588 700	16 282 178 230
Constructions	70 921 447 985	53 482 804 001
	<b>231 981 835 577</b>	<b>152 186 247 545</b>

### 5-4 **Revenue from foreign branches and joint operations**

- The Group's revenues that recognized over time include revenues from Burkina Faso branch amounted to EGP 208 500 670 which is equivalent to CFA Francs 2 849 665 845 for the financial year ended 31 December 2024. (compared to EGP 387 443 628 equivalent to CFA Francs 7 738 681 005 for the financial year ended December 31, 2023)- Note No. (1-2 B)
- The Group's revenues that recognized over time include revenues from Tanzania branch amounted to EGP 5 569 269 202 which is equivalent to 328 966 369 675 Tanzanian Shilling for the financial year ended 31 December 2024 (compared to EGP 8 285 714 157 equivalent to 642 421 142 093 Tanzanian shillings, for the financial year ended December 31, 2023). Note No. (1-2A)

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- The Group's revenues that recognized over time include revenues resulted from the joint operation of Playa Resort between El-Rowad Modern Engineering Company (Subsidiary Company) and G Investment Company amounted to EGP 6 218 579 000 for the financial year ended 31 December 2024 (EGP 2 359 689 534 for financial year ended 31 December 2023).

#### 6- Cost of revenue

EGP	Note No.	2024	2023
Cost of recognized revenue at a point in time	(6-1)	151 623 113 080	89 574 684 346
Cost of recognized revenue over time	(6-2)	36 460 201 594	33 534 274 396
		<b>188 083 314 674</b>	<b>123 108 958 742</b>

#### 6-1 Cost of recognized revenue at a point in time

EGP	Note No.	2024	2023
Raw materials		129 269 656 657	74 020 921 349
Salaries and its equivalents		7 898 895 209	5 333 372 781
Depreciation of property, plant and equipment	(17-1)	1 527 014 346	1 796 184 832
Amortization of right of use asset	(19)	28 967 069	29 393 454
Amortization of intangible asset	(22)	14 048 887	3 737 758
Inventory write-down		3 425 159 039	1 104 414 337
Utilities, maintenance, and spare parts		3 019 918 265	2 670 049 718
Logistics costs		1 400 024 209	671 403 541
Rent expenses*		910 051 699	747 245 756
Other costs		4 129 377 700	3 197 960 820
		<b>151 623 113 080</b>	<b>89 574 684 346</b>

\*The rent expense represents the value of low-value assets or short-term leases that are not subject to lease right-of-use recognition requirements in accordance to EAS No. (49).

#### 6-2 Cost of recognized revenue over time

EGP	2024	2023
Raw materials	17 400 508 124	16 808 901 957
Cost of subcontractors	14 208 833 235	10 879 423 679
Finance costs *	1 858 263 881	1 185 782 094
Formed provision	454 315 444	822 010 934
Other costs	2 538 280 910	3 838 155 732
	<b>36 460 201 594</b>	<b>33 534 274 396</b>

\* The finance costs include an amount of EGP 1 589 692 405 related to letter of credit costs.

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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

**7- Selling and distribution expenses**

EGP	Note No.	2024	2023
Salaries and its equivalents		1 216 037 561	901 974 144
Miscellaneous expenses, computer, maintenance, and spare parts		34 182 551	28 442 490
Depreciation of property, plant and equipment	(17-1)	23 383 269	16 730 355
Amortization of right of use assets	(19)	7 995 187	7 500 183
Amortization of intangible assets	(22)	3 159 702	2 190 209
Advertising and promotions		406 885 998	207 023 678
Transportation and travelling		160 897 007	120 741 673
Insurance		55 776 645	28 785 160
Communication and telephones expense		11 778 482	9 112 914
Logistics services		1 956 868 081	956 438 237
Professional and consultancy fees		18 363 385	10 487 373
Rents		105 981 107	59 861 885
Market research		248 648 491	138 065 806
Other expenses		335 447 200	183 017 463
		<b>4 585 404 666</b>	<b>2 670 371 570</b>

**8- General and administrative expenses**

EGP	Note No	2024	2023
Salaries and its equivalents		3 639 052 338	2 519 751 304
Utilities, maintenance and spare parts		712 883 597	459 245 249
Depreciation of property, plant and equipment.	(17-1)	469 249 256	307 874 621
Depreciation of investment property		1 472 753	-
Amortization of right of use assets	(19)	120 937 603	77 967 594
Amortization of intangible assets	(22)	63 517 734	48 019 608
Cars, transportation and travelling		395 975 978	291 259 618
Bank charges		50 096 087	287 036 524
Rents		276 856 866	218 550 065
Communication and telephone		33 515 391	21 703 666
Professional and consultancy fees		398 655 255	43 909 974
Insurance		47 222 476	32 894 835
Tax and fees		403 878 006	217 107 823
Logistic services		26 906 001	11 775 678
Donations		130 099 216	201 698 083
Other expenses		814 544 132	1 239 002 512
		<b>7 584 862 689</b>	<b>5 977 797 154</b>

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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

**9- Other income**

EGP	Note No.	2024	2023
Gain on sale of property, plant and		400 506 471	57 392 907
Provisions no longer required		717 444 947	446 679 001
Gain on Bargain purchase	(20-1)	148 107 217	-
Gain on previously held interest recognized in profit or loss	(20-1)	956 554 645	-
Rental income		433 558 552	139 151 753
Scrap sale		574 467 915	181 349 580
Other operating income		712 473 201	552 846 444
		<b>3 943 112 948</b>	<b>1 377 419 685</b>

**10- Net of impairment loss on trade and other receivables**

EGP	2024	2023
Impairment loss on trade and other receivables	(2 015 833 580)	(837 286 494)
Reversal of impairment loss on trade and other receivables	705 470 633	334 743 604
	<b>(1 310 362 947)</b>	<b>(502 542 890)</b>

- As part of the Group's regular operations, this increase is due to both the normal course of business and the impact of foreign exchange rate fluctuations, which affected the impairment loss on trade and other receivables.

**11- Other expenses**

EGP	Note No.	2024	2023
Formed provisions		4 411 830 338	3 231 464 921
Takaful contribution expense *		320 072 178	217 456 887
Impairment of goodwill	(22)	270 053 406	29 037 988
Other operating expenses		17 328 483	86 918 829
		<b>5 019 284 405</b>	<b>3 564 878 625</b>

\* The accrual has been recorded due to the application of law no. (2) of year 2018 "Comprehensive System Health Insurance" that was issued by the parliament to establish an economic public authority called the General Authority for Comprehensive Health Insurance. The law was imposed on individuals and entities to deduct 2.5 per thousand from their total annual revenues under the name of Takaful contribution expense.

**12- Net finance cost**

EGP	2024	2023
<b>Finance income</b>		
Credit interests	708 207 230	455 375 762
Foreign currencies translation gain	2 832 620 817	1 999 137 980
Other finance income	706 797 611	364 355 054
<b>Total finance income</b>	<b>4 247 625 658</b>	<b>2 818 868 796</b>
<b>Finance costs</b>		
Interests and finance expenses	(7 706 942 082)	(4 898 384 621)
Interests on lease liability	( 56 049 522)	(44 846 452)
<b>Total finance costs</b>	<b>(7 762 991 604)</b>	<b>(4 943 231 073)</b>
<b>Net finance costs</b>	<b>(3 515 365 946)</b>	<b>(2 124 362 277)</b>



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**13- Income tax expense**

EGP	Note No.	2024	2023
Income tax for the current year		8 424 354 854	4 891 041 517
Deferred tax	(13-1)	( 302 844 772)	189 365 171
		<b>8 121 510 082</b>	<b>5 080 406 688</b>

**13-1 Deferred tax expense**

EGP	2024	2023
Origination and reversal of temporary tax differences	(206 149 403)	192 514 045
Tax losses carried forward	(96 695 369)	(3 148 874)
	<b>(302 844 772)</b>	<b>189 365 171</b>

**14- Deferred tax**

EGP	Note No.	31 December 2024	31 December 2023
Tax from which an asset is generated	(14-1)	2 362 632 290	726 284 664
<b>Total deferred tax assets</b>		<b>2 362 632 290</b>	<b>726 284 664</b>
Tax from which liability is generated	(14-2)	(3 669 892 743)	(1 809 916 821)
<b>Total deferred tax liabilities</b>		<b>(3 669 892 743)</b>	<b>(1 809 916 821)</b>

**14-1 Deferred tax assets**

EGP	31 December 2024	31 December 2023
Property, plant and equipment	348 755 254	56 521 445
Provisions	1 150 088 518	186 390 497
Tax losses carried forward	516 593 517	117 710 428
foreign currencies differences and differences from construction contracts	347 195 001	365 662 294
	<b>2 362 632 290</b>	<b>726 284 664</b>

**14-2 Deferred tax liabilities**

EGP	31 December 2024	31 December 2023
Property, plant and equipment and provisions *	( 973 025 245)	(247 330 611)
The impact of fair value resulted from acquiring subsidiaries companies	( 578 559 000)	-
Deferred tax on undistributed dividends from subsidiaries	(1 786 792 557)	(1 417 992 484)
foreign currencies differences and differences from construction contracts *	(331 515 941)	(144 593 726)
	<b>(3 669 892 743)</b>	<b>(1 809 916 821)</b>

\*The balances include the fair value resulted from the group acquiring of two companies which are Pyramids Development Industrial Parks and Pyramids Zona Franca Egypt for Industrial Parks Development on 1 November 2024. The balances include the impact of acquiring beginning balances that amounted to 58 844 L.E. in addition to the impact of fair value that amounted to 578 559 000 L.E.

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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

#### **14-3 Unrecognized deferred tax assets**

<b>EGP</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Net impairment losses on trade receivables and other receivables	1 677 515 150	983 114 384
Provisions	3 142 350 923	1 571 868 113
Inventory write-down	1 363 214 738	652 707 755
	<b>6 183 080 811</b>	<b>3 207 690 252</b>

- Deferred tax assets have not been recognized for temporary differences resulting from uncertainty of utilization of their benefits in the foreseeable future.

#### **15- Group's tax status**

- The Parent Company is subject to the Investment Guarantees and Incentives Law No. (8) of year 1997 and its executive regulations which is superseded by law No. (72) of year 2017.
- The parent Company and its subsidiaries that are located in Egypt are filed all of the required tax returns on their due dates in accordance with the applicable Egyptian laws and provisions.
- There are subsidiaries in Egypt that are not subject to corporate tax as they were established according to the Free Zones Law. According to this law, these entities shall pay 1% of their revenues to the General Authority for Investment and Free Zones (GAFI).
- Foreign branches and subsidiaries in other foreign countries are subject to the tax laws and regulations in effect in each country.

#### **16- Operating segments**

An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenues and incur expenses( including revenues and expenses related to transactions with other entities within the same establishment).
- b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- c) for which discrete financial information is available.

##### **Basis for segmentation**

The group has three major operating segments representing its reportable segments. These segments offer different products and services. Segments are managed separately as they require different technology and marketing strategies.

##### **The following summary describes the operations of each reportable segment:**

<b><u>Segments</u></b>	<b><u>Operations</u></b>
Cables segment	This segment manufactures, markets and trades in cables.
Constructions segment	This segment execute construction works related to constructing electric power plants and electricity distribution networks.
Electrical products and its accessories segment	This segment manufactures electric meters, transformers, electrical joint and terminals in addition to marketing and trading them.

The Board of Directors reviews the internal management reports of each segment quarterly.

##### **Geographic segments**

The Group's revenues and non-current assets are determined based on the geographical location of the parent Company which is Egypt and the other countries, accordingly they are separated as inside and outside Egypt.

Notes to the Consolidated Financial Statements for the year Ended 31 December 2024 – Continued

16- Operating segments - (Continued)

EGP	Cables		Constructions		Electrical products and its accessories		Inter-company transactions elimination	Total 31 December 2024
	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt		
Local Sales and construction revenue	38 414 523 509	30 225 996 607	47 864 539 611	10 053 766 320	6 635 895 394	3 958 250 678	-	137 152 972 119
Export Sales and construction revenue	67 002 328 294	1 546 950 482	2 521 839 779	10 481 302 275	3 239 610 897	10 036 831 731	-	94 828 863 458
Total revenue without inter-segment sales	105 416 851 803	31 772 947 089	50 386 379 390	20 535 068 595	9 875 506 291	13 995 082 409	-	231 981 835 577
Total Inter-segment sales revenue	26 684 382 959	1 129 386 077	3 607 830 592	3 945 064	4 308 187 964	2 340 912 165	( 38 074 644 821)	-
Total revenue	132 101 234 762	32 902 333 166	53 994 209 982	20 539 013 659	14 183 694 255	16 335 994 574	( 38 074 644 821)	231 981 835 577
Total Cost of revenue	( 111 797 253 554)	( 25 599 789 282)	( 46 779 988 372)	( 19 379 200 733)	( 9 976 127 744)	( 12 625 599 810)	38 074 644 821	( 188 083 314 674)
Gross Profit	20 303 981 208	7 302 543 884	7 214 221 610	1 159 812 926	4 207 566 511	3 710 394 764	-	43 898 520 903
Total selling and distribution expenses	( 2 004 540 558)	( 750 097 291)	( 145 927 441)	( 112 214 367)	( 573 222 206)	( 999 402 803)	-	( 4 585 404 666)
Segment profit	18 299 440 650	6 552 446 593	7 068 294 169	1 047 598 559	3 634 344 305	2 710 991 961	-	39 313 116 237

Other income								3 943 112 948
Group's share of profit of equity-accounted investees, net of tax								1 132 366 257
General and administrative expenses								( 7 584 862 689)
Impairment loss on trade and other receivables								( 1 310 362 947)
Other expenses								( 5 019 284 405)
Net finance cost								( 3 515 365 946)
Income tax expense								( 8 121 510 082)
Profit for the year after tax								18 837 209 373

Allocation of some significant accounts on group segments.

EGP	Cables		Constructions		Electric Products and Accessories		Unallocated	Total 31 December 2024
	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt		
Depreciation	301 309 173	367 930 357	603 649 109	159 021 277	118 190 392	330 820 575	138 725 988	2 019 646 871
Assets	56 077 757 449	33 291 167 003	53 849 906 603	39 750 713 128	18 839 792 302	7 318 131 002	40 399 671 200	249 527 138 687
Liabilities	19 744 069 169	7 801 237 110	56 413 964 142	35 631 488 518	11 892 569 739	2 588 801 837	55 928 322 916	190 000 453 431
Acquisition of property, plant and equipment	2 957 173 116	1 598 900 417	2 148 374 436	649 254 261	963 027 709	302 146 170	106 976 729	8 725 852 838

Government and sovereign entities represent 24% of the group's total revenue.

## 16- Operating segments - (Continued)

EGP	Cables		Constructions		Electric Products and Accessories		Inter-company transactions elimination	Total
	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt		31 December 2023
Local Sales and construction revenue	29 938 364 868	18 319 442 486	30 212 102 110	7 166 682 249	4 606 030 159	2 488 973 258	-	92 731 595 130
Export Sales and construction revenue	32 716 462 808	1 446 995 152	6 345 844 903	9 758 174 739	1 967 118 095	7 220 056 718	-	59 454 652 415
<b>Total revenue without inter-segment sales</b>	<b>62 654 827 676</b>	<b>19 766 437 638</b>	<b>36 557 947 013</b>	<b>16 924 856 988</b>	<b>6 573 148 254</b>	<b>9 709 029 976</b>	-	<b>152 186 247 545</b>
Total Inter-segment sales revenue	16 493 542 148	1 074 770 550	4 176 120 015	139 064 530	1 991 987 034	1 773 731 211	( 25 649 215 488)	-
<b>Total revenue</b>	<b>79 148 369 824</b>	<b>20 841 208 188</b>	<b>40 734 067 028</b>	<b>17 063 921 518</b>	<b>8 565 135 288</b>	<b>11 482 761 187</b>	<b>( 25 649 215 488)</b>	<b>152 186 247 545</b>
Total Cost of revenue	( 66 377 327 897)	( 16 023 221 169)	( 35 141 666 576)	( 16 228 870 344)	( 5 602 189 641)	( 9 384 898 603)	25 649 215 488	( 123 108 958 742)
<b>Gross Profit</b>	<b>12 771 041 927</b>	<b>4 817 987 019</b>	<b>5 592 400 452</b>	<b>835 051 174</b>	<b>2 962 945 647</b>	<b>2 097 862 584</b>	-	<b>29 077 288 803</b>
Total selling and distribution expenses	( 1 096 693 205)	( 434 706 000)	( 146 138 784)	( 74 788 341)	( 350 633 466)	( 567 411 774)	-	( 2 670 371 570)
<b>Segment profit</b>	<b>11 674 348 722</b>	<b>4 383 281 019</b>	<b>5 446 261 668</b>	<b>760 262 833</b>	<b>2 612 312 181</b>	<b>1 530 450 810</b>	-	<b>26 406 917 233</b>

Other income	1 377 419 685
Group share of profit of equity-accounted investees, net of tax	603 624 972
General and administrative expenses	( 5 977 797 154)
Impairment loss on trade and other receivables	( 502 542 890)
Other expenses	( 3 564 878 625)
Net finance cost	( 2 124 362 277)
Income tax expense	( 5 080 406 688)
<b>Profit for the year after tax</b>	<b>11 137 974 256</b>

## Allocation of some significant accounts on group segments.

EGP	Cables		Constructions		Electric Products and Accessories		Unallocated	Total
	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt	Inside Egypt	Outside Egypt		31 December 2023
Depreciation	247 820 882	203 684 648	351 720 665	929 140 211	128 950 163	147 630 428	111 842 811	2 120 789 808
Assets	37 936 917 873	8 690 026 551	23 724 411 948	27 458 732 561	12 216 597 108	296 156 805	41 125 811 982	151 448 654 828
Liabilities	29 315 598 543	9 061 974 075	27 701 019 565	27 524 207 598	12 305 046 736	2 460 262 607	4 972 066 176	113 340 175 300
Acquisition of property, plant and equipment	1 060 323 761	651 520 841	880 961 396	453 295 504	978 046 169	498 330 078	226 117 636	4 748 595 385

Government and sovereign entities represent 24% of the group's total revenue.

## 17- Property, plant and Equipment

EGP	Land	Buildings & constructions	Machineries & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Total	Projects under construction*	Property, plant, and equipment retirement obligations	Total property, plant and equipment
<b>Cost as at 1 January 2023</b>	1 534 319 197	4 984 287 954	14 939 373 946	989 327 462	565 269 772	190 982 409	23 203 560 740	3 772 320 805	-	<b>26 975 881 545</b>
Additions during the year	44 905 028	256 342 020	861 263 753	407 321 962	142 463 160	26 254 012	<b>1 738 549 935</b>	2 560 063 684	449 981 766	<b>4 748 595 385</b>
Disposals during the year	( 35 750 960)	( 10 844 413)	( 518 287 183)	( 139 482 383)	( 84 772 668)	( 52 880 151)	<b>( 842 017 758)</b>	( 465 703 031)	-	<b>(1 307 720 789)</b>
Transfers from project under constructions	-	2 138 346 656	531 382 314	64 923 780	-	6 650 081	<b>2 741 302 831</b>	(2 741 302 831)	-	-
Transfer to investment property	-	( 68 140 508)	-	-	-	-	<b>( 68 140 508)</b>	-	-	<b>( 68 140 508)</b>
Effect of movement in exchange rates	37 961 990	656 015 176	2 519 543 536	80 008 017	42 236 171	27 966 903	<b>3 363 731 793</b>	383 480 337	-	<b>3 747 212 130</b>
<b>Cost as at 31 December 2023</b>	<b>1 581 435 255</b>	<b>7 956 006 885</b>	<b>18 333 276 366</b>	<b>1 402 098 838</b>	<b>665 196 435</b>	<b>198 973 254</b>	<b>30 136 987 033</b>	<b>3 508 858 964</b>	<b>449 981 766</b>	<b>34 095 827 763</b>
<b>Cost as at 1 January 2024</b>	<b>1 581 435 255</b>	<b>7 956 006 885</b>	<b>18 333 276 366</b>	<b>1 402 098 838</b>	<b>665 196 435</b>	<b>198 973 254</b>	<b>30 136 987 033</b>	<b>3 508 858 964</b>	<b>449 981 766</b>	<b>34 095 827 763</b>
Additions during the year	326 277 211	699 181 390	2 061 542 102	595 894 268	353 112 491	88 285 904	<b>4 124 293 366</b>	4 601 559 472	-	<b>8 725 852 838</b>
The impact of acquiring subsidiary companies on beginning balances.	-	-	1 749 334	1 022 355	1 739 403	-	<b>4 511 092</b>	-	-	<b>4 511 092</b>
The impact of fair value that resulted from acquiring subsidiary companies	-	-	17 994 000	-	-	-	<b>17 994 000</b>	-	-	<b>17 994 000</b>
Disposals during the year	(90 141 217)	( 214 237 992)	( 487 134 538)	( 84 050 180)	( 48 923 578)	( 62 518 529)	<b>( 987 006 034)</b>	( 236 071 926)	-	<b>(1 223 077 960)</b>
Transfers from project under constructions	-	514 404 315	1 327 748 196	12 444 117	37 729 689	27 118 376	<b>1 919 444 693</b>	(1 919 444 693)	-	-
Effect of movement in exchange rates	185 204 808	1 822 551 313	7 540 977 385	182 775 948	145 112 944	38 851 163	<b>9 915 473 561</b>	494 416 321	26 402 907	<b>10 436 292 789</b>
<b>Cost as at 31 December 2024</b>	<b>2 002 776 057</b>	<b>10 777 905 911</b>	<b>28 796 152 845</b>	<b>2 110 185 346</b>	<b>1 153 967 384</b>	<b>290 710 168</b>	<b>45 131 697 711</b>	<b>6 449 318 138</b>	<b>476 384 673</b>	<b>52 057 400 522</b>
<b>Accumulated depreciation and impairment as at 1 January 2023</b>	-	<b>1 802 121 875</b>	<b>9 272 352 637</b>	<b>657 010 732</b>	<b>368 245 859</b>	<b>142 418 017</b>	<b>12 242 149 120</b>	-	-	<b>12 242 149 120</b>
Depreciation during the year	-	264 580 055	1 549 264 381	204 096 190	88 681 209	14 167 973	<b>2 120 789 808</b>	-	-	<b>2 120 789 808</b>
Accumulated depreciation of disposals	-	( 10 145 572)	( 414 858 756)	( 38 464 373)	( 47 342 869)	( 9 213 002)	<b>( 520 024 572)</b>	-	-	<b>( 520 024 572)</b>
Impairment loss of property, plant and equipment	365 687	( 1 165 796)	2 466 757	( 16 888)	944 755	1 286 818	<b>3 881 333</b>	<b>76 649 154</b>	-	<b>80 530 487</b>
Transfer to investment property	-	<b>( 12 452 475)</b>	-	-	-	-	<b>( 12 452 475)</b>	-	-	<b>( 12 452 475)</b>
Effect of movement in exchange rates	-	401 781 234	1 662 518 153	64 514 100	32 127 753	18 536 278	<b>2 179 477 518</b>	<b>( 3 808 490)</b>	-	<b>2 175 669 028</b>
<b>Accumulated depreciation and impairment as at 31 December 2023</b>	<b>365 687</b>	<b>2 444 719 321</b>	<b>12 071 743 172</b>	<b>887 139 761</b>	<b>442 656 707</b>	<b>167 196 084</b>	<b>16 013 820 732</b>	<b>72 840 664</b>	-	<b>16 086 661 396</b>
<b>Accumulated depreciation and impairment as at 1 January 2024</b>	<b>365 687</b>	<b>2 444 719 321</b>	<b>12 071 743 172</b>	<b>887 139 761</b>	<b>442 656 707</b>	<b>167 196 084</b>	<b>16 013 820 732</b>	<b>72 840 664</b>	-	<b>16 086 661 396</b>
The impact of acquiring subsidiary companies on beginning balances.	-	-	817 215	808 991	1 739 393	-	<b>3 365 599</b>	-	-	<b>3 365 599</b>
Depreciation during the year	-	351 929 188	1 276 417 451	226 147 291	112 760 418	37 269 200	<b>2 004 523 548</b>	-	15 123 323	<b>2 019 646 871</b>
Accumulated depreciation of disposals	-	( 35 751 863)	( 397 354 154)	( 68 343 250)	( 37 833 756)	( 15 258 120)	<b>( 554 541 143)</b>	-	-	<b>( 554 541 143)</b>
Impairment loss of property, plant and equipment	-	-	-	-	-	14 880 711	<b>14 880 711</b>	-	-	<b>14 880 711</b>
Effect of movement in exchange rates	-	1 146 303 611	5 376 817 609	241 654 737	122 491 708	48 795 087	<b>6 936 062 752</b>	-	7 561 661	<b>6 943 624 413</b>
<b>Accumulated depreciation and impairment as at 31 December 2024</b>	<b>365 687</b>	<b>3 907 200 257</b>	<b>18 328 441 293</b>	<b>1 287 407 530</b>	<b>641 814 470</b>	<b>252 882 962</b>	<b>24 418 112 199</b>	<b>72 840 664</b>	<b>22 684 984</b>	<b>24 513 637 847</b>
<b>Net carrying amount</b>										
<b>As at 31 December 2024</b>	<b>2 002 410 370</b>	<b>6 870 705 654</b>	<b>10 467 711 552</b>	<b>822 777 816</b>	<b>512 152 914</b>	<b>37 827 206</b>	<b>20 713 585 512</b>	<b>6 376 477 474</b>	<b>453 699 689</b>	<b>27 543 762 675</b>
<b>As at 31 December 2023</b>	<b>1 581 069 568</b>	<b>5 511 287 564</b>	<b>6 261 533 194</b>	<b>514 959 077</b>	<b>222 539 728</b>	<b>31 777 170</b>	<b>14 123 166 301</b>	<b>3 436 018 300</b>	<b>449 981 766</b>	<b>18 009 166 367</b>

\*The net carrying amount include the balance of the most important projects under constructions for the following components Egytech cables , El Sewedy Electric Steel Application, EL Sewedy Cables - KSA Ltd, Egyptian Company For Advanced Industries (Sedco) by amount 1 017 773 405 , 976 437 573 , 892 215 412 and 670 447 554 respectively. these balance has no capitalized borrowing costs during the year.

## 17-1 Depreciation of property, plant and equipment charged to the consolidated statement of profit or loss is presented as follows:-

EGP	Note No.	2024	2023
Cost of recognized revenue at a point in time	(6-1)	1 527 014 346	1 796 184 832
Selling and distribution expenses	(7)	23 383 269	16 730 355
General and administrative expenses	(8)	469 249 256	307 874 621
		<b>2 019 646 871</b>	<b>2 120 789 808</b>

Information about the property, plant and equipment pledged as security for liabilities is included in note No. (32).

Information about the amount of contractual commitments for the acquisition of property, plant and equipment is included in note No. (36).

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**18- Investment property**

EGP	Lands	Buildings	Total
<b>Cost as of 1 January 2023</b>	<b>9 907 417</b>	<b>2 282 480</b>	<b>12 189 897</b>
Transfer from Property, plant and equipment	-	68 140 508	<b>68 140 508</b>
<b>Cost as of 31 December 2023</b>	<b>9 907 417</b>	<b>70 422 988</b>	<b>80 330 405</b>
<b>Cost as of 1 January 2024</b>	<b>9 907 417</b>	<b>70 422 988</b>	<b>80 330 405</b>
Additions during the year	-	466 197	<b>466 197</b>
<b>Cost as of 31 December 2024</b>	<b>9 907 417</b>	<b>70 889 185</b>	<b>80 796 602</b>
<b>Accumulated depreciation as of 1 January 2023</b>	<b>-</b>	<b>(456 496)</b>	<b>(456 496)</b>
Depreciation during the year	-	(6 388 342)	<b>(6 388 342)</b>
Transfer from property, plant and equipment	-	(12 452 475)	<b>(12 452 475)</b>
<b>Accumulated depreciation as of 31 December 2023</b>	<b>-</b>	<b>(19 297 313)</b>	<b>(19 297 313)</b>
<b>Accumulated depreciation as of 1 January 2024</b>	<b>-</b>	<b>(19 297 313)</b>	<b>(19 297 313)</b>
Depreciation during the year	-	( 1 472 753)	<b>( 1 472 753)</b>
<b>Accumulated depreciation as of 31 December 2024</b>	<b>-</b>	<b>( 20 770 066)</b>	<b>( 20 770 066)</b>
<b>Net Carrying amount as of 31 December 2024 *</b>	<b>9 907 417</b>	<b>50 119 119</b>	<b>60 026 536</b>
<b>Net Carrying amount as of 31 December 2023</b>	<b>9 907 417</b>	<b>51 125 675</b>	<b>61 033 092</b>

\* The balance as of 31 December 2024 includes investment property for the following companies

	2024	2023
SDM for development & Management (S.A.E),	9 460 109	9 460 185
Red sea copper Company – Egypt (S.A.E)	2 527 369	2 171 539
Elsowedy Electric (S.A.E)	48 039 058	49 401 368

- The fair value of these investments as of 31 December 2024 is EGP 58 551 555 and EGP 30 627 542 and 923 778 000 respectively.  
Compared to at 31 December 2023 ( EGP 53 228 687 and 24 507 212 respectively.)

**19- Right of use assets**

EGP	Buildings	Machinery	Total
<b>Cost as of 1 January 2023</b>	<b>722 870 096</b>	<b>158 534 254</b>	<b>881 404 350</b>
Additions during the year	377 286 008	27 140 543	<b>404 426 551</b>
Disposals during the year	(226 733 445)	(20 929 050)	<b>( 247 662 495)</b>
Effect of movement in exchange rates	40 194 694	17 602 845	<b>57 797 539</b>
<b>Cost as of 31 December 2023</b>	<b>913 617 353</b>	<b>182 348 592</b>	<b>1 095 965 945</b>
<b>Cost as of 1 January 2024</b>	<b>913 617 353</b>	<b>182 348 592</b>	<b>1 095 965 945</b>
Additions during the year	42 671 209	20 645 180	<b>63 316 389</b>
Disposals during the year*	( 638 167 132)	( 9 991 289)	<b>( 648 158 421)</b>
Effect of movement in exchange rates	156 331 189	46 544 969	<b>202 876 158</b>
<b>Cost as of 31 December 2024</b>	<b>474 452 619</b>	<b>239 547 452</b>	<b>714 000 071</b>
<b>Accumulated amortization as of 1 January 2023</b>	<b>(18 909 468)</b>	<b>(88 807 853)</b>	<b>( 107 717 321)</b>
Amortization during the year**	(90 315 762)	(24 545 469)	<b>( 114 861 231)</b>
Accumulated amortization of disposals	13 910 244	20 929 050	<b>34 839 294</b>
Effect of movement in exchange rates	(24 511 626)	(2 734 960)	<b>( 27 246 586)</b>
<b>Accumulated amortization as of 31 December 2023</b>	<b>(119 826 612)</b>	<b>(95 159 232)</b>	<b>( 214 985 844)</b>
<b>Accumulated amortization as of 1 January 2024</b>	<b>(119 826 612)</b>	<b>(95 159 232)</b>	<b>( 214 985 844)</b>
Amortization during the year**	( 135 417 272)	( 22 482 587)	<b>( 157 899 859)</b>
Accumulated amortization of disposals	244 244 148	7 083 767	<b>251 327 915</b>
Effect of movement in exchange rates	( 70 348 370)	( 25 140 235)	<b>( 95 488 605)</b>
<b>Accumulated amortization as of 31 December 2024</b>	<b>( 81 348 106)</b>	<b>( 135 698 287)</b>	<b>( 217 046 393)</b>
<b>Net carrying amount as of 31 December 2024</b>	<b>393 104 513</b>	<b>103 849 165</b>	<b>496 953 678</b>
<b>Net carrying amount as of 31 December 2023</b>	<b>793 790 741</b>	<b>87 189 360</b>	<b>880 980 101</b>

- The net carrying amount as of 31 December 2024 includes the most important right of use assets of the following subsidiaries:

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<b>Subsidiary Name</b>	<b>Amount</b>
Elsowedy Electric for Transmission and Distribution Company	32 947 603
Elsowedy Electric for Trading and Distribution Company	83 181 737
October Dry Port Company	224 826 963
Elsowedy for Industrial Development Company - Ain AlSokhna	51 470 361

- An amount of EGP 237 159 406 was capitalized on the value of the building of Elsowedy Electric for Trading and Distribution which represented the foreign currency differences of the financial lease liabilities that were capitalized in accordance with the accounting treatment in Appendix (H) of the Egyptian Accounting Standard no. (13) that related to the impact of changes in foreign exchange rates as of December 31, 2024 (Comparing to an amount of EGP 99 059 244 as of 31 December 2023).

\*Reason for disposing of Right of use assets is termination of lease contract during the year.

\*\*Amortization of right of use assets was charged to the consolidated statement of profit or loss as follows:

<b>EGP</b>	<b>Note No.</b>	<b>2024</b>	<b>2023</b>
Cost of revenues recognized at a point in time	(6-1)	28 967 069	29 393 454
Selling and distribution expenses	(7)	7 995 187	7 500 183
General and administrative expenses *	(8)	120 937 603	77 967 594
		<b>157 899 859</b>	<b>114 861 231</b>

\*Most of the leased assets are used for general and administrative functions, primarily supporting the subsidiaries' headquarters

20- **Equity-accounted investees**

<b>EGP</b>	<b>Group Share of Net Assets</b>		<b>Group Share of Profit And loss (Net of Tax)</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Elastmold-Egypt Company	24 492 368	25 178 540	( 686 172)	988 973
Elsowedy Cables Company – Qatar**	644 193 989	452 592 740	68 817 790	25 830 726
Pyramids Development Industrial Parks Company	-	197 873 554	-	7 740 116
Senyar Industries Qatar Holding Company**	701 629 591	619 714 076	( 61 451 470)	58 568 937
Doha Cables - Qatar**	3 487 865 439	1 576 481 877	797 893 566	444 653 334
Aloula For Industrial Parks Development	44 372 057	45 904 157	8 355 704	23 415 407
Pyramids Zona Franca Egypt for Industrial Parks Development	-	139 283 173	-	3 496 187
SC Zone Utilities	361 279 768	202 427 128	162 114 622	47 811 172
Elsowedy Wataniya for Industries & Engineering Projects – SWIEP	404 588 655	225 559 597	176 741 480	( 17 746 778)
Raneen Energy LLC**	8 184 194	-	7 871 703	3 112 648
Yanbu Copper wires Company*	440 537 500	-	-	-
Others **	356 903 977	317 829 427	( 27 290 966)	5 754 250
	<b>6 474 047 538</b>	<b>3 802 844 269</b>	<b>1 132 366 257</b>	<b>603 624 972</b>

\*Elsowedy cables Saudi Arabia (a subsidiary Company) acquired a 50% ownership stake through the exchange of equity rights, with a value of L.E 440 537 500 in Yanbu copper Wires Company. Since the Company is still in the establishment phase and has not yet commenced operation.

\*\*The balance of the Group's share of the net assets of companies whose functional currency is not the Egyptian pound includes the Group's share of foreign currency translation differences in the net asset balances as of December 31, 2024 amounting to L.E 1 379 952 931.

The following table summarize the information related to the most important companies that the Group records equity accounted investees as at 31 December 2024

31 December 2024	Elastmold-Egypt	EL Sewedy Cables - Qatar	EL Sewedy Cables - Erbil-Iraq	Senyar Industries Qatar Holding	Doha Cables - Qatar	Aloula For Industrial Parks Development	SC Zone Utilities	El Sewedy Wataniya for Industries & Engineering Projects – SWIEP	Raneen Energy LLC
Percentage of ownership interest	% 49.6	% 38.3	% 50	% 50	% 47	50%	% 49	49%	% 49
Non-current assets	70 332	248 674 092	21 052 886	750 856 794	1 072 847 269	48 668	1 895 325	2126 152 094	10 208 613
Current assets	50 876 885	7549 077 969	207 488 124	955 208 893	10 253 413 332	276 294 979	2150 919 928	2 706 863 658	439 913 057
Non-current liabilities	–	( 315 449 082)	–	–	(3 763 186 914)	–	( 171 031)	( 4 427 480)	( 500 741)
Current liabilities	( 1 567 443)	(5 800 334 339)	( 130 296 474)	( 302 806 506)	( 187 123 766)	( 187 599 533)	(1 415 338 573)	(4 002 897 139)	( 432 918 492)
<b>Net assets (100%)</b>	<b>49 379 774</b>	<b>1 681 968 640</b>	<b>98 244 536</b>	<b>1403 259 181</b>	<b>7 375 949 921</b>	<b>88 744 114</b>	<b>737 305 649</b>	<b>825 691 133</b>	<b>16 702 437</b>
<b>Group's share of net assets</b>	<b>24 492 368</b>	<b>644 193 989</b>	<b>49 122 268</b>	<b>701 629 591</b>	<b>3487 865 439</b>	<b>44 372 057</b>	<b>361 279 768</b>	<b>404 588 655</b>	<b>8 184 194</b>
Revenue	1 990 309	10 200 920 898	–	–	19 369 741 410	27 728 246	1684 713 561	3109 778 197	766 140 801
Depreciation and amortization	( 712 863)	( 1 328 686)	–	–	( 154 324 903)	( 6 184)	( 454 479)	( 32 701 440)	( 2 680 826)
Interset income/cost	( 91 034)	( 47 485 617)	–	( 65 203 941)	( 46 134 131)	24 986 100	114 522 847	59 524 366	( 3 489 180)
Income tax expenses	( 12 306)	–	–	–	–	( 8 615 390)	( 79 726 641)	( 134 082 421)	( 494 933)
<b>Profit from continuing operations (100%)</b>	<b>( 1 383 411)</b>	<b>179 680 914</b>	<b>–</b>	<b>( 122 902 940)</b>	<b>1687 342 327</b>	<b>16 711 408</b>	<b>330 846 168</b>	<b>360 696 898</b>	<b>16 064 700</b>
Other comprehensive income (100%)	–	–	–	–	–	–	–	–	–
<b>Group's share of total comprehensive income</b>	<b>( 686 172)</b>	<b>68 817 790</b>	<b>-</b>	<b>( 61 451 470)</b>	<b>797 893 566</b>	<b>8 355 704</b>	<b>162 114 622</b>	<b>176 741 480</b>	<b>7 871 703</b>

Equity accounted investee are shown in related parties- note no (38)



The following table summarize the information related to the most important companies that the Group records equity accounted investees as at 31 December 2023

31 December 2023	Elastmold-Egypt	Giad Cables	EL Sewedy Cables - Qatar	Pyramids Development Industrial Parks	EL Sewedy Cables - Erbil- Iraq	Senyar Industries Qatar Holding	Doha Cables - Qatar	Aloula For Industrial Parks Development	Pyramids Zona Franca Egypt For Industrial Parks Development	SC Zone Utilities	El Sewedy Wataniya for Industries & Engineering Projects – SWIEP	Raneen Energy LLC
Percentage of ownership interest	%49,6	% 45	%38,3	% 50	% 50	% 50	% 47.2875	% 50	%47,50	% 49	% 49	% 49
Non-current assets	217 377	8 784 187	9 855 261	25 720 955	12 803 275	1603 161 380	643 894 332	74 253	439 922	1 499 755	477 714 985	4 223 904
Current assets	52 854 075	372 416 245	3 661 956 989	991 996 632	126 183 535	135 629	6045 812 212	278 029 325	571 349 068	1247 102 698	3870 426 475	343 366 632
Non-current liabilities	–	( 13 110)	( 52 129 035)	( 27 909 772)	–	–	( 123 147 991)	–	–	( 131 777)	( 42 513 277)	–
Current liabilities	( 2 308 266)	( 384 015 446)	(2 437 978 933)	( 594 060 707)	( 79 239 565)	( 363 868 857)	(3 232 734 863)	( 186 295 264)	( 278 561 257)	( 835 354 089)	(3 845 302 474)	( 347 590 536)
<b>Net assets (100%)</b>	<b>50 763 186</b>	<b>( 2 828 124)</b>	<b>1 181 704 282</b>	<b>395 747 108</b>	<b>59 747 245</b>	<b>1 239 428 152</b>	<b>3 333 823 690</b>	<b>91 808 314</b>	<b>293 227 733</b>	<b>413 116 587</b>	<b>460 325 709</b>	<b>–</b>
<b>Group's share of net assets</b>	<b>25 178 540</b>	<b>–</b>	<b>452 592 740</b>	<b>197 873 554</b>	<b>29 873 623</b>	<b>619 714 076</b>	<b>1 576 481 877</b>	<b>45 904 157</b>	<b>139 283 173</b>	<b>202 427 128</b>	<b>225 559 597</b>	<b>–</b>
Revenue	5 881 566	232 784 291	4 173 713 402	25 560 932	–	–	8 629 070 720	9 330 354	71 599 988	79 250 743	–	–
Depreciation and amortization	( 740 103)	( 770 912)	( 4 163 140)	( 183 341)	–	( 46 516)	( 97 198 853)	( 54 082)	( 145 682)	( 268 044)	( 1 249 885)	( 889 817)
Intersect income/cost	( 15 631)	( 37 012 611)	( 44 280 968)	9 325 069	–	( 54 032 232)	( 106 529 787)	18 551 513	10 169 200	49 613 290	20 811 232	( 3 365 408)
Income tax expenses	( 377 470)	( 874 415)	–	( 4 141 450)	–	–	–	( 11 899 856)	( 2 580 577)	( 22 409 248)	–	–
<b>Profit from continuing operations (100%)</b>	<b>1 993 898</b>	<b>( 31 912 320)</b>	<b>95 524 999</b>	<b>22 190 987</b>	<b>–</b>	<b>( 18 434 433)</b>	<b>422 656 237</b>	<b>8 915 390</b>	<b>11 833 572</b>	<b>25 673 845</b>	<b>( 3 439 765)</b>	<b>–</b>
Other comprehensive income (100%)	–	–	–	–	–	–	–	–	–	–	–	–
<b>Group's share of total comprehensive income</b>	<b>988 973</b>	<b>( 14 360 544)</b>	<b>25 830 726</b>	<b>7 740 116</b>	<b>–</b>	<b>58 568 937</b>	<b>444 653 334</b>	<b>23 415 407</b>	<b>3 496 187</b>	<b>47 811 172</b>	<b>( 17 746 778)</b>	<b>3 112 648</b>
Equity accounted investee are shown in related parties- note no (38)												

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## **20-1 Profit from previously recognized share of earnings or losses from Equity-method**

At the prior year, Elsewedy electric was holding 50% shares of Pyramids for industrial development with no control and 47% indirect shares of Pyramids Zona Franca, Elsewedy electric recognized its share of the net asset changes of Pyramids for industrial development and Pyramids Zona Franca using equity accounting at the prior year as shown at the comparative figures.

In November 2024 the Group acquired the remaining shares through Elsewedy Utilities holding (subsidiary controlled by Elsewedy electric) which acquired 50% of the share capital of Pyramids industrial park, As a result of this transaction Elsewedy Utilities Holding holds a 93% stake in Pyramids zona franca and thereby obtained control.

Taking control of Pyramids for Industrial Development and Pyramids Zona Franca will allow the Group to strengthen its presence in the industrial real estate development sector, expanding its portfolio and market reach.

The following table summarizes the consideration paid for the acquisition of the remaining shareholding interest and the fair value of net assets acquired at the acquisition date.

	<b>1 November 2024</b>
Cash consideration transferred	1 149 999 933
Fair value of previously held interest in Pyramids for industrial development and Pyramids Zona Franca before business combination	1 298 107 150
<b>Total consideration</b>	<b>2 448 107 083</b>
Less:	
Fair value of identifiable net assets – Note No. (20-2)	2 596 214 300
Bargain purchase	148 107 217
	<b>1 November 2024</b>
Fair value of interest in Pyramids for industrial development and Pyramids Zona Franca on November 1, 2024	1 298 107 150
Carrying amount of interest on November 1, 2024	(341 552 505)
Gain on previously held interest recognized in profit or loss	956 554 645

## **20-2 Identifiable assets acquired, and liabilities acquired:**

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

<b>Identifiable assets and liabilities</b>	<b>Amount</b>
Fixed assets	20 491 150
Other assets	432 000
Deferred tax asset	78 000
Projects under construction	3 521 240 150
Trade receivable	37 185 000
Debtors and other debit balances	131 733 850
Due from related parties	385 280 500
Cash and cash equivalents	325 313 150
Deferred tax liability	(583 198 300)
Advances from customers	(69 193 000)
Suppliers and contractors	(275 848 800)
Creditors and other credit balances	(390 590 700)
Land purchase creditors-short term	(27 910 000)
Due to related parties	(478 798 700)
<b>Total identifiable net assets acquired</b>	<b>2 596 214 300</b>

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## 21- Trade and other receivables

EGP	31 December 2024	31 December 2023
Trade receivables	247 084 558	907 791 784
Retention receivables	1 631 786 454	1 842 461 771
Other receivables	15 246 040	20 492 106
	<b>1 894 117 052</b>	<b>2 770 745 661</b>

- The trade and other receivables balance amounted to EGP 1 894 117 052 as of 31 December 2023 represents the present values of these items.
- Information about the Group's exposure to credit and market risks and impairment losses for trade receivables and other receivables is included in note no. (44).

## 22- Intangible assets and goodwill

EGP	Goodwill *	Development cost **	Total
<b>Cost as at 1 January 2023</b>	<b>1 049 683 502</b>	<b>332 101 450</b>	<b>1 381 784 952</b>
Additions during the year	-	77 095 411	77 095 411
Effect of movement in exchange rates	-	143 164 461	143 164 461
<b>Cost as at 31 December 2023</b>	<b>1 049 683 502</b>	<b>552 361 322</b>	<b>1 602 044 824</b>
<b>Cost as at 1 January 2024</b>	<b>1 049 683 502</b>	<b>552 361 322</b>	<b>1 602 044 824</b>
Additions during the year*	116 968 793	158 946 784	275 915 577
Effect of movement in exchange rates	( 14 184 165)	584 807 547	641 368 858
<b>Cost as at 31 December 2024</b>	<b>1 152 468 130</b>	<b>1 296 115 653</b>	<b>2 519 329 259</b>
<b>Accumulated amortization and impairment as of 1 January 2023</b>	<b>(2 393 805)</b>	<b>(149 477 832)</b>	<b>(151 871 637)</b>
Amortization during the year	-	(53 947 575)	(53 947 575)
Impairment loss during the year – Note no. (11)	(29 037 988)	-	(29 037 988)
Effect of movement in exchange rates	(13 157 052)	(92 268 325)	(105 425 377)
<b>Accumulated amortization and impairment as of 31 December 2023</b>	<b>(44 588 845)</b>	<b>(295 693 732)</b>	<b>(340 282 577)</b>
<b>Accumulated amortization and impairment as of 1 January 2024</b>	<b>(44 588 845)</b>	<b>(295 693 732)</b>	<b>(340 282 577)</b>
Amortization during the year	-	( 80 726 323)	( 80 726 323)
Impairment loss during the year – Note no. (11)	(270 053 406)	-	(270 053 406)
Effect of movement in exchange rates	( 37 848 759)	( 260 478 170)	( 298 326 929)
<b>Accumulated amortization and impairment as of 31 December 2024</b>	<b>( 352 491 010)</b>	<b>( 636 898 225)</b>	<b>( 989 389 235)</b>
<b>Carrying amount</b>			
<b>As of 31 December 2024</b>	<b>799 977 120</b>	<b>659 217 428</b>	<b>1 459 194 548</b>
<b>As of 31 December 2023</b>	<b>1 005 094 657</b>	<b>256 667 590</b>	<b>1 261 762 247</b>

-The amortization of intangible assets charged to the consolidated income statement was as follows:

EGP	Note.no	2024	2023
Cost of revenues recognized at point of time	(6-1)	14 048 887	3 737 758
Selling and distribution expenses	(7)	3 159 702	2 190 209
General and administrative expenses	(8)	63 517 734	48 019 608
		<b>80 726 323</b>	<b>53 947 575</b>

\* The net carrying amount of Goodwill amounted to EGP 799 977 120 as of 31 December 2024 includes a goodwill that resulted from the acquisition of energy companies' group in Greece during September 2019 amounted to EGP 677 777 457 and EGP 116 968 793 during October 2024. The management reviews the goodwill of energy

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companies in Greece at the end of each year. The assumptions used to determine the recoverable amount of goodwill are subject to testing to identify any possible impairment, the recoverable amount for the unit is determined based on the use value through the application of discount rates and estimated future cash flow. The goodwill impairment test is carried out at the Company level. The determination is made through the present value of the estimated future cash flows, as expected to be generated by CGU- by applying (Discounted Cash Flow Method). Cash flows are estimated using the most recent budgets approved by the management, and based on reasonable and justified assumptions, which represent the best possible and updated information available at the reporting date. The management evaluates the rationality of the underlying assumptions with regard to the projected cash flows by identifying the causes of differences between past and current projected cash flows. The management also ensures that the assumptions used in estimating the currently projected cash flows are consistent with past actual results. From the carried-out impairment test the following amount was recognized as an impairment expense.

<b>Subsidiary Name</b>	<b>Amount</b>
El Sewedy Transformers Indonesia Holding LTD	189 959 603
Elsowedy Transformers Pakistan Holding Ltd	41 598 230
KALLISTI ENERGI AKI S.A.	24 810 089
HYDROELECTRIKI ACHAIAS S.A.	13 598 230

In order to determine the recoverable value of the cash generating unit, the management calculates the value in use, using the discounted future cash flows.

<b>Subsidiary Name</b>	<b>Valuation Method</b>	<b>Important Inputs that Cannot Be Observed</b>
El Sewedy Transformers Indonesia Holding LTD	Discounted Cash Flows	Discount Rate: 10.35% Growth Rate: 5.10%
KALLISTI ENERGI AKI S.A.	Discounted Cash Flows	Discount Rate: 12.28% Growth Rate: 2.00%
HYDROELECTRIKI ACHAIAS S.A.	Discounted Cash Flows	Discount Rate: 12.28% Growth Rate: 2.00%
Elsowedy Transformers Pakistan Holding Ltd	Discounted Cash Flows	Discount Rate: 29.60% Growth Rate: 3.20%

The Company analyzed the sensitivity of recoverable amounts according to a 1% change in the basic assumption of the discount rate.

\*\* The net carrying amount as of 31 December 2024 includes the most important development cost of the following subsidiaries:

<b>Subsidiary Name</b>	<b>Amount</b>
Iskraemeco – Slovenia	413 214 109
Energy Bank I	150 384 631
Energy Bank II	75 841 537

These balances represent capitalized development cost represents the incurred cost related to the meter technology, its communication devices, and the operating software related to . Development costs are amortized using straight line method based on the expected useful life for these assets.

**23- Inventories**

<b>EGP</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Raw materials and supplies	27 884 741 744	16 549 387 747
Work in progress	6 178 121 233	3 570 570 238
Finished goods	13 158 738 747	6 640 610 470
Construction work in process	2 144 146 451	1 222 609 089
Goods in transit	7 430 135 893	2 898 644 538
	<b>56 795 884 068</b>	<b>30 881 822 082</b>

- Inventories balances are presented in net after deducting the write-down balance amounted to EGP 6 035 232 173.

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- Inventory write-down with the amount of EGP 3 425 159 039 for the financial year ended 31 December 2024 (EGP 1 104 414 337 for the financial year ended 31 December 2023) was charged to the cost of recognized revenues at a point in time – Note No. (6-1).

**24- Industrial real estate development**

EGP	31 December 2024	31 December 2023
Real Estate Development Land	6 164 646 988	1 218 260 843
	<b>6 164 646 988</b>	<b>1 218 260 843</b>

- The Real Estate Development represents land on which infrastructure works are carried out to be ready for sale. The caption represents the value of work in progress related to the followings land plots.

Location	Beginning Balance	Additions/disposal	Development work	The impact of fair value resulted from acquiring subsidiaries companies	Ending balance
Tenth of Ramadan	546 189 394	210 914 579	673 216 507	3 321 628 911	4 751 949 391
Sadat	325 582 446	( 147 506 922)	-	-	178 075 524
Alamein	36 875 000	-	-	-	36 875 000
Ain Sokhna	309 614 003	(73 966 578)	194 106 755	-	429 754 180
New October	-	746 240 827	21 752 066	-	767 992 893
<b>Total</b>	<b>1 218 260 843</b>	<b>735 681 906</b>	<b>889 075 328</b>	<b>3 321 628 911</b>	<b>6 164 646 988</b>

**25- Contract assets**

EGP	31 December 2024	31 December 2023
Contract assets	18 051 966 570	16 179 633 722
	<b>18 051 966 570</b>	<b>16 179 633 722</b>

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

**26- Trade and other receivables**

EGP	31 December 2024	31 December 2023
Trade receivables	49 344 225 948	24 567 472 409
Notes receivables	5 829 886 632	3 667 172 911
Advance payments to suppliers	13 289 226 085	8 089 710 807
Retention receivable	7 648 630 481	4 469 254 555
Prepaid expenses	3 739 229 471	2 101 972 110
Tax authority – Value added tax	1 673 464 049	836 573 552
Deposits with others	820 961 830	441 361 140
Other receivables	4 390 684 927	2 418 367 608
	<b>86 736 309 423</b>	<b>46 591 885 092</b>

- Trade and other receivables are presented in net amount after impairment amounted to around EGP 7.456 billion as at 31 December 2024. Compared to (EGP 4.369 billion as at 31 December 2023).
- Information about the exposure to credit and market risks, impairment losses for trade and other receivables is included in note - No. (44).

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- Retention receivables represent the amounts that are deducted by the customers of the construction projects in accordance with the contractual agreements.

27- **Investment in debt securities at amortized cost.**

EGP	31 December 2024	31 December 2023
Face value of treasury bills (More than 3 months)	876 300 961	1 012 000 000
<b><u>(Less:)</u></b>		
Treasury bills interests not due	( 1 775 090)	(164 834 037)
<b>Net carrying amount</b>	<b>874 525 871</b>	<b>847 165 963</b>

28- **Cash and cash equivalents**

EGP	31 December 2024	31 December 2023
Banks - Time deposits	14 983 172 384	5 050 395 401
Banks - Current accounts	23 027 214 135	20 362 194 082
Cash on hand	169 615 803	139 455 317
<b>Cash and cash equivalents</b>	<b>38 180 002 322</b>	<b>25 552 044 800</b>

29- **Share capital**

**Authorized share capital**

The Company's authorized share capital is EGP 5 billion.

**Issued and paid-up capital**

The issued and fully paid-up capital of the Company as of 1 January 2017 amounted to EGP 2 234 180 000 distributed over 223 418 000 shares at a par value EGP 10 each. The Extraordinary General Assembly meeting of the Company decided on 4 May 2017 to write-off 5 million treasury shares and accordingly the Company's issued and paid-up capital become EGP 2 184 180 000 distributed over 218 418 000 shares at a par value of EGP 10 per share.

On 22 May 2018, the Extraordinary General Assembly Meeting of the Company approved the split of the par value of the Company's shares to one Egyptian pound instead of ten Egyptian pounds. This amendment was annotated in the Commercial Register of the Company on 8 August 2018.

The Management of Elsewedy Electric Company reduced the Company's issued capital by the value of treasury shares purchased during the period from 24 June 2020 to 28 June 2020 and the shares purchased during the period from 1 July 2020 until 30 September 2020 with a total number of 13 402 124 shares accordingly, the number of shares became 2 170 777 876 shares. The commercial register of the Company was annotated on 17 October 2022.

On April 18, 2024, the management of El Sewedy Electric Company has invited the company's extraordinary general assembly to approve the reduction of the company's issued capital by retirement the treasury shares owned by the company that have reached the end of their holding period, totaling 30 000 000 shares with a par value of 30 000 000 Egyptian pounds. After the reduction, the company's issued capital will amount to 2 140 777 876 Egyptian pounds - Note No. (31).

The percentage of the main shareholders of El Sewedy family whom shares exceed 5% each, represent 67.99% of the total company's capital.

In light of the approval of the Financial Supervisory Authority on May 30, 2024, to publish the announcement of the optional purchase offer submitted by Electra Investment Holding Limited to purchase up to 531 840 580 shares, representing 24.5% of the shares of Elsewedy Electric S.A.E, at a cash price of US 1.05 dollars per share, and in accordance with the requirements of the Financial

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Supervisory Authority, the company held a board of directors meeting on May 30, 2024, that approved appointing an independent financial consultant to prepare a study of the fair value of the share.

The board of directors unanimously approved, at the meeting held on June 27, 2024, the publication of a statement regarding the board's position on the voluntary tender offer made by Electra Investment Holding Restricted Limited to acquire a percentage of 24.5%, with a minimum of 15%, of the issued shares of El Sewedy Electric Company.

in accordance with Article (338) of the executive regulations of the Capital Market Law No. 95 of 1992. The board was also briefed on the findings of the independent financial advisor tasked with assessing the fair value of the shares, which was determined to be 52.38 Egyptian pounds per share.

On July 17, 2024, 19.98% of the total shares of Elsewedy electric company (S.A.E.) was purchased by (Electra Investment Holding Restricted Limited),.

Capital restructuring was carried out as follows at 31 December 2024:

Shareholder	No. of Shares (Share)	Owner percentage
Sadek Ahmed Sadek Elsewedy	534 980 391	24.99%
Ahmed Ahmed Sadek Elsewedy	534 980 391	24.99%
Mohamed Ahmed Sadek Elsewedy	385 602 690	18.01%
Electra investment holding restricted limited	436 109 503	20.37%
Other shareholders	247 682 741	11.57%
Treasury shares and ESOP shares issued not granted	1 422 160	0.07%
	<b>2 140 777 876</b>	<b>100</b>

## 29-1 Capital management

The Group's policy is to maintain a strong capital base, in order to maintain shareholders, creditors and market confidence and to support future development.

The objective of the Group's management from managing capital is to maintain the Group ability to continue in order to realize a return for shareholders and provide benefits to other parties in order to gain market confidence and support future development. The Group's management also aims to maintain the best capital structure, the matters which lead to a reduction in the cost of capital.

To maintain the best capital structure, the management monitors the return on capital, in addition to the policy of distributing dividends to shareholders, and that comes from changing the value of dividends paid to shareholders, reducing the capital, issuing new capital shares, or reducing the debts due from the Group. The Group's management monitors the capital structure using the ratio of net debts to total equity. The net debt is represented in total trade and other payable and borrowing less cash and cash equivalents. The total capital is represented in the total equity of the Company as shown in the consolidated financial position.

The net debt to total equity ratio is as follows:

EGP	31 December 2024	31 December 2023
Total liabilities after deducting deferred tax liability and provisions	171 948 355 779	102 727 464 535
<b>Less: Cash and cash equivalents</b>	<b>(38 180 002 322)</b>	<b>(25 552 044 800)</b>
<b>Net debt</b>	<b>133 768 353 457</b>	<b>77 175 419 735</b>
Total equity	59 526 685 256	38 108 479 528
<b>Net debt to equity ratio</b>	<b>2.25</b>	<b>2.03</b>

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### 30- **Reserves**

EGP	Note No.	31 December 2024	31 December 2023
Legal reserve	(30-1)	626 127 494	554 350 878
Foreign operations translation differences	(30-2)	7 888 841 173	3 387 649 590
		<b>8 514 968 667</b>	<b>3 942 000 468</b>

#### 30-1 **Legal reserve**

According to the Companies Law and the Article of association of the Elsewedy Electric (S.A.E) “parent Company”, 5% of the annual net profit is set aside and deducted to form a legal reserve which is not distributable. The transfer to legal reserve ceases once the reserve reaches 50% of the Company’s issued capital. The legal reserve may be used to increase capital or cover losses. If the legal reserve balance falls below the maximum limit, the Company is required to allocate 5% of net annual profits until the reserve reaches 50% of the issued share capital again.

#### 30-2 **Foreign operations translation differences**

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign components.

### 31- **Treasury shares**

- The Board of Directors held on 5 July 2022 decided to approve the purchase of a maximum number of 30 000 000 shares equivalent to 1.373% of the Company's share. This is due to the decrease of capital share price, which represents an investment opportunity for the Company to support the market share price. The purchase process made from 6 July 2022 to 5 October 2022.
- The management of Elsewedy Electric Company has invited the Company's extraordinary general assembly meeting to be held on 23 August 2022, in order to consider reducing the share capital by the value of treasury share purchased during the period from 24 June 2020 to 28 June 2020 and shares purchased during the period from 1 July 2020 until 30 September 2020.
- The management of Elsewedy Electric Company has reduced the Company issued capital by the value of treasury share purchased during the period from 24 June 2020 to 28 June 2020 and shares purchased during the period from 1 July 2020 until 30 September 2020 with a total number of 13 402 124 shares. Accordingly, the total share of the Company became 2 170 777 876 shares. Annotation was made in the commercial register of the Company on 17 October 2022.
- The Board of Directors held on 27 September 2022, decided to approve the extension of the purchase of a maximum number of 30 000 000 shares as a maximum equivalent to 1.373% of the Company's shares which has been previously decided in the board meeting held on 5 July 2022 to be purchased on 5 January 2023 instead of 5 October 2022.

Based on the previous decision of the Board of Directors, the company purchased 30 million treasury shares with the aim of investing the available liquidity in the local currency, and the details are as follows:

EGP	Average share price (EGP)	No. of shares (Share)	Value (EGP)
Shares repurchased during the period from 1 July 2022 to 30 September 2022	6.4454	11 975 000	77 183 471
Shares repurchased during the period from 1 October 2022 to 31 December 2022	9.8172	18 025 000	176 954 413
		<b>30 000 000</b>	<b>254 137 884</b>

- Management of Elsewedy Electric Company has invited the Company's extraordinary general assembly meeting to be held in order to consider reducing the Company issued capital from EGP 2 170 777 876 to EGP



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2 140 777 876 by executing treasury shares owned with an amount of 30 000 000 shares with a par value of EGP 30 000 000 purchased during the period from 1 July 2022 to 31 December 2022.

- The Extraordinary General Assembly of the company approved this on April 18, 2024, and the company's issued capital was amended accordingly. (Note No. 29)

32- **Loans and borrowings**

EGP	31 December 2024	31 December 2023
<b>Current liabilities</b>		
Loans – current portion	12 580 708 167	7 401 079 843
Banks- Credit facilities	40 049 471 127	27 530 523 733
Lease liabilities – Current portion	103 751 805	19 206 529
	<b>52 733 931 099</b>	<b>34 950 810 105</b>
<b>Non-current liabilities</b>		
Loans – non-current portion	6 166 616 210	6 235 939 701
Lease liabilities – non-current portion	182 394 498	579 742 265
	<b>6 349 010 708</b>	<b>6 815 681 966</b>
	<b>59 082 941 807</b>	<b>41 766 492 071</b>

- Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans & Credit Facilities	Lease Liabilities
<b>Balance at 1 January 2024</b>	<b>41 167 543 277</b>	<b>598 948 794</b>
Changes in financing cash flows		
Proceeds from loans and borrowings	15 351 373 941	-
Payment of lease liabilities	-	(142 725 449)
<b>Total changes from financing cash flows</b>	<b>15 351 373 941</b>	<b>(142 725 449)</b>
The effect of changes in foreign exchange rates and translation	2 227 670 279	107 387 553
Other changes		
Impact of acquiring subsidiaries company	50 208 007	-
New leases	-	63 316 389
Disposed leases	-	(396 830 506)
Interest expense	7 706 942 082	56 049 522
Interest paid	(7 706 942 082)	-
Total liability-related other changes	50 208 007	(277 464 595)
<b>Balance at 31 December 2024</b>	<b>58 796 795 504</b>	<b>286 146 303</b>

- The average interest rate on loans and credit facilities in Egyptian pounds is 28.6 %, including the Central Bank of Egypt lending rate, as for the US dollar and foreign currencies, the average interest rate is 6.45% and 7.45% respectively .
- The loans and credit facilities granted to the Company and its subsidiaries which are guaranteed by promissory notes from subsidiaries within the limit of an amount of EGP 878 million, USD 86 million, Euros 71 million, Algerian dinars 476 million for the purchase of machinery and equipment. There is no pledge on property, plant and equipment against the outstanding balances of loans and borrowings.
- The liabilities of finance lease contracts for the current and non-current portion were included under the loans and borrowings according to the requirements of Egyptian Accounting Standard No. (49) – Lease Contracts.
- Elswedy Electric signed a credit facility agreement on 22 December 2022, with the Africa of Export - Import bank with an amount of USD 200 million to finance or obtain credit support for payment of obligations for import of goods and services from suppliers in order to secure credit support for engineering, purchases and construction services in Africa and the Middle East and for the Company's general purposes.

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**33- Trade and other payables**

EGP	31 December 2024	31 December 2023
Trade and notes payables	29 126 341 461	18 335 452 414
Tax Authority	8 121 960 921	4 566 748 649
Retention payables- contractors turnkey projects*	2 946 344 925	2 238 353 411
Accrued expenses	10 967 427 702	4 158 732 110
Dividends payable	115 010 736	65 026 975
Other trade payable	3 531 099 297	2 573 808 501
	<b>54 808 185 042</b>	<b>31 938 122 060</b>

\* Retention payables – is retention against turnkey project that is retained from contractors against work done by them.

**34- Contract liabilities**

EGP	31 December 2024	31 December 2023
Contract liabilities	53 281 056 753	25 060 328 092
	<b>53 281 056 753</b>	<b>25 060 328 092</b>

The contract liabilities primarily relate to the advance consideration received from customers for which revenue when performance obligation satisfied .

**35- Provisions**

EGP	Balance at 1 January	Formed during the year	Used during the year	No longer required	Effect of movement in exchange rate	Balance at 31 December
<b>Non-Current provisions</b>						
Provision for warranty, lawsuits and contractual risks(35-1)	88 077 904	8 040 841	( 18 541 300)	-	101 335 308	178 912 753
Provision for claims	92 755 664	10 855 678	-	-	139 716 109	243 327 451
Provision for restoring the sites(35-2)	571 535 500	51 620 624	-	-	( 102 750 297)	520 405 827
<b>Total as of 31, December 2024</b>	<b>752 369 068</b>	<b>70 517 143</b>	<b>( 18 541 300)</b>	<b>-</b>	<b>138 301 120</b>	<b>942 646 031</b>
<b>Total as of 31, December 2023</b>	<b>308 542 214</b>	<b>489 886 388</b>	<b>(131 675 184)</b>	<b>-</b>	<b>85 615 650</b>	<b>752 369 068</b>
<b>Current provisions</b>						
Provision for warranty, lawsuits and contractual risks - Note No. (35-2)	7 206 681 802	4 510 662 029	( 394 516 534)	( 707 543 317)	1 603 090 840	12 218 374 820
Provision for training and qualification employees- Note No. (35-3)	441 103 678	202 584 004	-	-	-	643 687 682
Takaful contribution provision - Note No. (35-4)	402 639 396	152 899 749	( 73 079 347)	( 9 901 630)	104 938 208	577 496 376
<b>Total as of 31 December 2024</b>	<b>8 050 424 876</b>	<b>4 866 145 782</b>	<b>( 467 595 881)</b>	<b>( 717 444 947)</b>	<b>1 708 029 048</b>	<b>13 439 558 878</b>
<b>Total as of 31, December 2023</b>	<b>4 527 493 624</b>	<b>4 053 475 855</b>	<b>( 789 053 875)</b>	<b>( 446 679 001)</b>	<b>705 188 273</b>	<b>8 050 424 876</b>
<b>Total as of 31 December 2024</b>	<b>8 802 793 944</b>	<b>4 936 662 925</b>	<b>( 486 137 181)</b>	<b>( 717 444 947)</b>	<b>1 846 330 168</b>	<b>14 382 204 909</b>
<b>Total as of 31 December 2023</b>	<b>4 836 035 838</b>	<b>4 543 362 243</b>	<b>( 920 729 059)</b>	<b>( 446 679 001)</b>	<b>790 803 923</b>	<b>8 802 793 944</b>

**35-1 Provision for Guarantees, lawsuits, and contractual risks**

This provision represents guarantees and specific allocations related to the financial structure of the group's companies, which are used and supported in an organized manner. Theses allocations are made within the limits of the group's general policies.

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### 35-2 Provision for restoring the sites

Property, plant and equipment retirement obligations composed of amounts against transfer cost provisions. The obligation resulted from a contract signed by October Dry Port Company (Subsidiary Company) on 29 March 2021 with the General Authority for Land and Dry Ports for financing, designing, constructing, exploiting and maintaining the dry port in the Sixth of October City in partnership with the private sector for 30 years.

The management discounts the expected provision as of the reporting date. The change in the future amount from year to year is presented under changes in unwinding interest.

EGP	31 December 2024
<b>Balance on January 1, 2024</b>	571 535 500
Interest of present value	51 620 624
Currency translation	(102 750 297)
	<b>520 405 827</b>

### 35-3 Provision for training and qualification employees

According to Law No. 12 of 2003, "Labor law", a fund is established to finance training and rehabilitation with a public legal personality, under the competent minister, this is in order to finance the companies, development and modernization of training centers and programs aimed to alignment the needs of the local and private labor market. 1% of the net profits of the companies subject to the provisions of this Law- in which more than 10 workers are employed- is considered as a resource of the Fund.

### 35-4 Takaful contribution provision – Current Provisions

This provision related to the application of law No. (2) of year 2018 "Comprehensive System Health Insurance" that was issued by the parliament establishing an economic public authority called the General Authority for Comprehensive Health Insurance. This law was imposed on individuals and companies to deduct 2.5 per thousand from their total annual revenues under the name of Takaful contribution expense.

### 36- Capital Commitments

The value of the capital commitments, expected to be settled within one year from the date of the consolidated financial statements is presented as follows:

EGP (Millions)	31 December 2024	31 December 2023
Capital commitments related to contractual obligations for the purchase of property plant and equipment	0.119	0.906

### 37- Contingent liabilities

EGP (Million)	31 December 2024	31 December 2023
Uncovered portion of letters of guarantees and letter of credits	94 696	55 900

**38- Related parties transactions**

The transactions with the related parties are transactions between group's companies and these parties. Those transactions are made according to conditions approved by the group's management , the main transactions and it's volume and the balances resulted from them at 31 December 2024 are as follows :

EGP (Billions)			31 December 2024		31 December 2023	
Sales to the related parties			10.04		9.2	
	Type of relationship	Nature of transactions	The volume of main transactions			
EGP			2024	2023	31 December 2024	31 December 2023
<u>Classified as non-current assets (Due from related parties)</u>						
Aswan 21 Company	Associate	Loan	22 040 478	50 055 337	133 150 622	111 110 144
					133 150 622	111 110 144
<u>Classified as current assets : ( Due from related parties)</u>						
Zesco company	Related Party	Sales	168 805 124	75 901 927	304 882 775	136 077 651
El Sewedy cables Company – Qatar	Associate	Sales	( 39 644 894)	11 302 854	-	39 644 894
ELSewedy for Electric Equipment and Cables Company	Related Party	Sales	316 777 108	( 80 076 028)	322 689 195	5 912 087
El Sewedy for Electrical constructions Co. - Algeria	Related Party	Sales	17 692 269	( 10 303 207)	30 126 088	12 433 819
EMAS Company	Related Party	Payments on behalf	39 346 961	( 10 301 603)	55 030 602	15 683 641
Doha Cables Company – Qatar	Associate	Sales	( 210 011 489)	84 954 615	-	210 011 489
Pyramids for Industrial parks developmentCompany	Associate	Sales	( 13 626 326)	3 465 006	-	13 626 326
Giad cables Company	Associate	Sales	155 954 202	5 912 640	360 824 153	204 869 951
Pyramids Zonafranca Company	Associate	Sales	( 22 825 363)	718 599		22 825 363
3W Company – Egypt	Related Party	Payments on behalf	-	2 606 278	13 076 379	13 076 379
Arabian for steel industries Company	Related Party	Sales	( 50 430 131)	( 5 173 468)	-	50 430 131
Al Oula for industrial parks development Company	Associate	Payments on behalf	( 3 204 872)	10 371 255	8 633 658	11 838 530
RME Mozambique Company	Related Party	Sales	( 4 013 821)	-	-	4 013 821
GAMA – Al Rowad	Related Party	Sales	( 42 646 488)	34 300 643	9 429 016	52 075 504
Iskarmeko Company -Malaysia	Related Party	Sales	1 981 189	199 428	4 261 473	2 280 284
Play resort Company	Related Party	Sales	( 39 198 955)	28 241 421	-	39 198 955
Tanzania project Company	Related Party	Sales	( 825 442 738)	879 187 827	263 240 432	1088 683 170
Iskara Argentina Company	Related Party	Sales	( 37 324 879)	( 11 812 349)	-	37 324 879
El Sewedy Cables Erbil Company -Iraq	Associate	Sales	33 985 404	5 635 271	84 010 109	50 024 705
El Sewedy Cables Company - Yemen	Related Party	Sales	312 690 206	96 845 368	797 980 766	485 290 560
El Sewedy watania for Industries and Engineering projects (SWIEP) Company	Associate	Sales	230 579 163	374 640 192	633 041 612	402 462 449
DB Schenker Company	Related Party	Sales	( 1 154 032)	2	-	1 154 030
SC Zone utilities Company	Associate	Sales	34 513 949	15 738 793	50 252 742	15 738 793
Ranen for Energy Company	Associate	Sales	110 537 262	164 956 955	275 494 217	164 956 955
Rowad KSA Company	Related Party	Sales	( 59 274 104)	59 274 104	-	59 274 104
3W Network Advanced Manufacturing Company	Related Party	Payments on behalf	( 21 344 463)	21 344 463	-	21 344 463
Petrojet Company	Related Party	Sales	( 10 119 196)	10 119 196	-	10 119 196
Senyar Industries Qatar Holding Company	Associate	Sales	( 34 333 488)	34 333 488	-	34 333 488
Others			168 483 481	( 16 972 060)	245 656 557	77 173 078
Less: impairment loss on related parties			( 430 748 354)	( 305 439 353)	(1 158 711 268)	( 727 962 914)
					2 299 918 506	2 553 915 781
Total due from related parties					2 433 069 128	2 665 025 925

**Elsowedy Electric Company (An Egyptian Joint Stock Company)**

Translated from Arabic

**Notes to the Consolidated Financial Statements for the year Ended 31 December 2024 – Continued**
**38- Related parties transactions - continued**

	Type of relationship	Nature of transactions	The volume of main transaction			
EGP			2024	2023	31 December 2024	31 December 2023
<b><u>Classified as non-current liabilities: ( Due to related parties)</u></b>						
PV Power Plant company	Associate	Loan	12 889 263	21 654 003	94 611 605	81 722 342
					<b>94 611 605</b>	<b>81 722 342</b>
<b><u>Classified as current liabilities: ( Due to related parties)</u></b>						
Pyramids for industrial Parks Development company	Associate	Payments on behalf	( 28 913 083)	( 27 541 207)	-	28 913 083
Pyramids Zona franca company	Associate	Purchases	( 9 892 552)	( 535 520)	-	9 892 552
Al Oula for Industrial Parks Development company	Associate	Purchases	( 4 648 867)	( 30 820 680)	-	4 648 867
Al Arabiya for Steel Industries company	Related party	Purchases	( 32 878 225)	17 185 374	13 950 187	46 828 412
Elastmold company-Egypt	Associate	Purchases	( 165 807)	201 116	47 714 684	47 880 491
El Sewedy Cables company-Qatar	Associate	Purchases	2 529 589	18 497 988	56 755 394	54 225 805
Doha Cables company-Qatar	Associate	Purchases	22 527 701	176 289 686	280 409 143	257 881 442
Senyar Holding Qatar company	Associate	Purchases	217 965 848	175 403 018	627 255 020	409 289 172
El Sewedy watania for Industries and Engineering projects (SWIEP) company	Associate	Purchases	( 462 872 255)	( 143 957 775)	-	462 872 255
El Sewedy for Equipment & Cables company	Related party	Purchases	( 298 181 859)	297 204 921	-	298 181 859
EMAS company	Related party	Purchases	( 38 632 730)	1 208 180	3 770 461	42 403 191
Giad cables company	Associate	Payments on behalf	( 5 980 564)	1 982 124	-	5 980 564
El Rowad Mozambique company	Related party	Purchases	-	( 5 992 780)	2 203 232	2 203 232
Play resort company	Related party	Purchases	( 38 806 946)	20 528 774	-	38 806 946
Rowad for modern engineering (GAMA Project)	Related party	Purchases	( 41 315 131)	41 315 131	-	41 315 131
Egyptian company for mechanical and electrical projects (Kahromecha) company	Related party	Payments on behalf	( 2 400)	-	1 417 844	1 420 244
JV Tanzania	Related party	Purchases	( 955 339 316)	474 774 131	-	955 339 316
DB schenker company	Related party	Purchases	( 2 509 144)	809 981	-	2 509 144
Red sea copper company	Under liquidation	Purchases	141 123 366	218 602 683	359 726 049	218 602 683
El Sewedy technical Academy	Related party	Payments on behalf	( 1 693 893)	1 693 893	-	1 693 893
El Sewedy Electric Foundation	Related party	Payments on behalf	( 15 657 053)	15 657 053	-	15 657 053
Elraghy Group	Related party	Purchases	( 49 679 707)	133 788 482	84 108 775	133 788 482
ElRowad Orascom project	Related party	Purchases	23 021 906	-	23 021 906	-
Al Rowad company comoros	Related party	Purchases	181 635 996	-	181 635 996	-
Iskra company Argentina	Related party	Purchases	11 548 704	-	11 548 704	-
Others	Related party	Purchases	330 148 176	17 471 022	356 561 030	26 412 854
					<b>2 050 078 425</b>	<b>3 106 746 671</b>
<b>Total due to related parties</b>					<b>2 144 690 030</b>	<b>3 188 469 013</b>

**Significant transactions with key management personnel represented in:**

	For the financial year ended 31 December	
EGP	2024	2023
Salaries and allowances for key management personnel	73 560 340	25 986 396

**Notes to the Consolidated Financial Statements for the year Ended 31 December 2024 – Continued**

**List of subsidiaries companies**

The following are the most important subsidiaries and branches of Elsowedy Electric company as at 31 December 2024 that is being consolidated in the consolidated financial statements:

	<b>Date of acquisition/ foundation</b>	<b>Foundation Country</b>	<b>Nature of contribution</b>	<b>% of share</b>
Egyptian Company for Advanced Industries	21/06/2005	Egypt	Direct	98
United Metals Company	23/06/2005	Egypt	Direct	99.8
Egytech Cables Company	25/12/2005	Egypt	Direct	99.98
Elsowedy Special Cables Company	25/12/2005	Egypt	Direct	99.98
Elsowedy Electric International Co. (previously External cables).	19/04/2006	Egypt	Direct	99.96
United Wires Company	11/2/2006	Egypt	Direct	99.94
Egyptian plastic industries company (Egyplast Co.)	24/12/2006	Egypt	Direct	99.97
Elsowedy Cables (previously Elsowedy Cables Egypt)	21/02/2007	Egypt	Direct	100
Elsowedy electric for electrical products (Previously Elsowedy transformer)	30/04/2011	Egypt	Direct	99.87
Elsowedy Electric for Transmission and Distribution	21/10/2007	Egypt	Direct	99.97
Elsowedy Power	27/09/2007	Egypt	Direct	99.84
Elsowedy Sedco for Petroleum Services	1/10/2008	Egypt	Direct	96
Iskraemeco Energy Measurment Misr	18/02/2008	Egypt	Indirect	99.12
Iskraemeco - Slovenia	1/1/2008	Slovenia	Indirect	99.7
Egyptian Company for Insulators	30/06/2008	Egypt	Direct/Indirect	74.83
Elsowedy Electric Co. For Trading and Distribution.	21/12/2008	Egypt	Direct/Indirect	99.8
Elsowedy Electric for Infrastructure (Previously Siag Elsowedy tower)	17/08/2008	Egypt	Direct	99
Elsowedy Electric for Power System Projects company	31/12/2008	Egypt	Direct	99.98
Rowad Modern Engineering Co.	30/06/2010	Egypt	Indirect	51
Elsowedy Sedco for Electrical Industries	30/06/2010	Egypt	Indirect	99.98
SDM for Developments and Managements Co.	14/01/2018	Egypt	Direct	100
Souq Misr Company	3/11/2018	Egypt	Direct	75
Egyptian company for Solar Energy Development	7/10/2016	Egypt	Direct	51
Elsowedy Electric Company – Dubai (LLC)	30/9/2016	Emirates	Indirect	100
Elsowedy Electric Company – Tanzania Branch	8/11/2019	Tanzania	Direct	100
Elsowedy Electric for Environmental solution	2/1/2020	Egypt	Direct	100
October Dry Port	8/11/2020	Egypt	Direct	90
Elsowedy Electric International FZE	8/11/2020	Dubai	Direct	100
3W Network – Emirates	30/06/2010	Emirates	Indirect	99.97
Elsowedy Energy limited Co.	3/6/2019	Cyprus	Indirect	99.84
Kallisti Energiaki S.A.	24/06/2019	Greece	Indirect	99.84
Aioloki Adres S.A.	25/06/2019	Greece	Indirect	99.84
Aioliki Kyliandrias S.A.	26/06/2019	Greece	Indirect	99.84
Hydroelectriki Achaia S.A.	27/06/2019	Greece	Indirect	99.84
Elsowedy Transformers Indonesia limited	1/6/2021	Dubai	Indirect	100
Elsowedy Transformers Pakistan limited	1/6/2021	Dubai	Indirect	100
Elsowedy Telecom Cables	1/8/2021	Egypt	Indirect	100
International Cables company	15/09/2021	Egypt	Indirect	100
Validus Engineering – Pakistan	15/5/2021	Pakistan	Indirect	100
Elsowedy Electric – Indonesia	21/05/2021	Indonesia	Indirect	95
Elsowedy Electric Holding Company Saudi Arabia	13/03/2023	Saudi Arabia	Direct	100
Riada for Engineering Projects Managements	3/7/2023	Egypt	Direct	100
Profession Investition Holding AG	11/12/2019	Switzerland	Direct	100
First leader Holding AG	11/12/2019	Switzerland	Indirect	100
Pyramids Development Industrial Parks	27/9/2007	Egypt	Direct & indirect	100
Pyramids Zona Franca Egypt For Industrial Parks Development	30/6/2010	Egypt	Direct & indirect	95

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**Notes to the Consolidated Financial Statements for the year Ended 31 December 2024 – Continued**

**Subsidiaries of Elsewedy Electric International Co. (External cables previously).**

Company name	Date of acquisition / foundation	Foundation Country	Nature of contribution	% of share
Elsewedy Cables - Algeria	3/10/2006	Algeria	Indirect	99.89
Elsewedy Cables Limited	24/12/2006	Saudi	Indirect	60
Elsewedy Electric Zambia Limited	31/03/2009	Zambia	Indirect	60
Elsewedy Cables Ethiopia	31/03/2009	Ethiopia	Indirect	95
Red Sea for copper -Egypt	31/12/2009	Egypt	Direct/Indirect	100
Elsewedy electric industrial LTD (previously United Co. For Electrical Industries)	31/3/2010	Saudi Arabia	Indirect	99.96
National Extrusion & Manufacturing of metal	23/5/2013	Egypt	Direct/Indirect	99.98
Elsewedy Electric for engineering projects-Kuwait*	27/10/2010	Kuwait	Indirect	49

\* This company is deemed as subsidiaries due to the fact that Elsewedy Electric Company exercises control over it although the shareholding percentage is less than 50%.

**Equity-accounted investees**

The following table shows the equity accounted investees as at 31 December 2024 due to the existence of significant influence from the parent company over them

Company name	Date of acquisition/ foundation	Foundation Country	Nature of contribution	% of share
Elastmold Egypt company	22/2/2006	Egypt	Direct/Indirect	49.6
Giad cables company	24/4/2002	Sudan	Indirect	45
Elsewedy Cables - Erbil-Iraq	07/10/2007	Iraq	Indirect	50
Al Oula for industrial parks development	30/9/2009	Egypt	Direct/Indirect	50
Elsewedy Cables Qatar	20/4/2006	Qatar	Indirect	38.3
Senyar Industries Qatar Holding company	9/5/2008	Qatar	Indirect	50
Doha Cables Company	9/5/2008	Qatar	Indirect	47.29
SC zone utilities Company	12/1/2020	Egypt	Direct	49
Elsewedy Wataniya for Industries & Engineering Projects – SWIEP	1/6/2022	Egypt	Direct	49
Raneen for energy	6/12/2021	Qatar	Indirect	49

**Subsidiaries companies – under liquidation**

The following represent the investments in subsidiaries under liquidation of Elsewedy Electric Company as at 31 December 2024 that were excluded from the consolidation process due to the lack of control element from the parent company.

Company name	Foundation Country	Nature of contribution	% of share
Elsewedy For Wind Energy Generation	Egypt	Direct	99.9
Desert Wind for electrical energy	Egypt	Direct	49.9
MAS for plastic industries	Egypt	Direct	99.9
Al Alamia for scientific research & development	Egypt	Direct	90
Elsewedy for turbine wind blades	Egypt	Direct	99.6

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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

39- **Major events during the year**

On March 6, 2024, the Central Bank of Egypt issued a decision to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively, also the credit and discount rate was raised by 600 basis points to reach 27.75, with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD

40- **Basic and diluted earnings per share (EPS)**

The calculation of EPS is based on the following profit attributable to ordinary shareholders and weighted-average number of shares outstanding is presented below:

For the purpose of calculating diluted earnings per share, an entity shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

**A. Basic earnings per share for consolidated financial statements.**

EGP	2024	2023
Profit for the year attributable to owners of the Company	17 461 358 714	10 115 701 777
<b><u>Less:</u></b>		
Employees' share in profit (estimated)	(2 025 840 035)	(1 012 606 468)
<b>Profit attributable to ordinary shareholders</b>	<b>15 435 518 679</b>	<b>9 103 095 309</b>
<b>Weighted-average number of shares</b>		
Issued and paid-up capital (share)	2 140 777 876	2 170 777 876
<b><u>Less:</u></b>		
Treasury shares (share)	-	( 30 000 000)
ESOP shares issued not granted (share)	( 1 422 160)	(1 422 160)
<b>Weighted-average number of ordinary shares at 31 December (share)</b>	<b>2 139 355 716</b>	<b>2 139 355 716</b>
<b>Basic earnings per share</b>	<b>7.22</b>	<b>4.26</b>

**B. Diluted earnings per share for consolidated financial statements**

EGP	2024	2023
Profit for the year attributable to owners of the Company	17 461 358 714	10 115 701 777
<b><u>Less:</u></b>		
Employees' share in profit (estimated)	(2 025 840 035)	(1 012 606 468)
<b>Profit attributable to ordinary shareholders</b>	<b>15 435 518 679</b>	<b>9 103 095 309</b>
<b>Weighted-average number of shares</b>		
Issued and paid-up capital (share)	2 140 777 876	2 170 777 876
<b><u>Less:</u></b>		
Treasury shares (share)	-	( 30 000 000)
Treasury shares cancelled (share)	-	-
<b>Weighted-average number of ordinary shares at 31 December (share)</b>	<b>2 140 777 876</b>	<b>2 140 777 876</b>
<b>Diluted earnings per share</b>	<b>7.21</b>	<b>4.25</b>

40-1 **Market price per share on the Egyptian Stock Exchange**

EGP	31 December 2024	31 December 2023
Market price per share (SWDY.CA)	75.88	27.69



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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

**41- Non-controlling interests**

<b>EGP</b>	<b>Percentage</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Rowad for Modern Engineering Company	49%	1 117 756 855	745 271 459
Elsewedy Cables Company– KSA Ltd.	40%	2 212 323 972	991 916 388
Egyptian Company for Solar Energy	49%	341 372 159	222 187 769
Elsewedy Electric Zambia limited Company	40%	302 297 728	164 554 963
October Dry Port Company*	10%	1 162 192	80 925 538
Egyptian Co. For Electrical Insulators	25.17%	85 582 681	61 175 002
Pyramids Zona Franc -Egypt	5%	27 363 580	-
Others	-	163 912 733	117 982 277
		<b>4 251 771 900</b>	<b>2 384 013 396</b>

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Notes to the Consolidated Financial Statements for the year Ended 31 December 2024 – Continued

## 41- Non-controlling interests (continued )

The following table summarize the information related to subsidiaries companies that has a significant non-controlling interests before and after any elimination in the Group at 31 December 2024.

EGP	Rowad for Modern Engineering	EL Sewedy Cables - KSA Ltd.	Egyptian Co. for Solar Energy	EL Sewedy Electric - Zambia Ltd.	October Dry Port Company	Egyptian Co. For Electrical Insulators	Pyramids zona franc Egypt for industrial development
NCI percentage	% 49	% 40	% 49	% 40	% 10	% 25.17	5%
Non-current assets	1530 805 664	3409 883 295	2726 099 929	575 221 207	1843 339 298	72 642 295	14 165 726
Current assets	16307 133 618	10062 409 628	765 037 583	645 805 075	97 543 453	551 653 397	1138 557 222
Non-current liabilities	( 497 636 049)	( 318 404 765)	(1 951 813 050)	( 96 899 235)	( 704 686 384)	( 6 408 698)	( 174 471)
Current liabilities	(15 059 166 794)	(7 623 078 228)	( 842 646 586)	( 368 382 727)	(1 224 574 443)	( 277 868 396)	( 605 276 879)
<b>Net assets</b>	<b>2 281 136 439</b>	<b>5 530 809 930</b>	<b>696 677 876</b>	<b>755 744 320</b>	<b>11 621 924</b>	<b>340 018 598</b>	<b>547 271 598</b>
<b>Net assets attributable to NCI</b>	<b>1117 756 855</b>	<b>2212 323 972</b>	<b>341 372 159</b>	<b>302 297 728</b>	<b>1 162 192</b>	<b>85 582 681</b>	<b>27 363 580</b>
Revenue	15 678 489 939	17 214 981 913	430 323 364	722 447 478	59 132 480	601 165 073	45 180 608
Profit	651 841 569	2674 534 502	( 37 298 043)	75 202 659	( 493 163 864)	120 088 817	8 297 045
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>651 841 569</b>	<b>2674 534 502</b>	<b>( 37 298 043)</b>	<b>75 202 659</b>	<b>( 493 163 864)</b>	<b>120 088 817</b>	<b>8 297 045</b>
<b>Profit allocated to NCI</b>	<b>319 402 369</b>	<b>1069 813 801</b>	<b>( 18 276 041)</b>	<b>30 081 064</b>	<b>( 49 316 386)</b>	<b>30 226 355</b>	<b>2 088 366</b>
total comprehensive income to NCI	-	-	-	-	-	-	-
Cash flows from operating activities	3 422 591 864	(1 498 002 298)	86 435 655	( 103 964 663)	193 828 153	( 54 818 408)	217 480 982
Cash flows from investment activities	( 196 257 768)	( 988 143 142)	( 4 073 207)	( 37 954 184)	( 258 837 462)	( 26 589 824)	( 1 139 826)
Cash flows from financing activities	73 182 310	4 318 893 337	( 164 216 040)	166 429 361	1 141 725 489	105 932 860	68 841 000
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3299 516 406</b>	<b>1832 747 897</b>	<b>( 81 853 592)</b>	<b>24 510 514</b>	<b>1076 716 180</b>	<b>24 524 628</b>	<b>285 182 156</b>

## Elsewedy Electric Company (An Egyptian Joint Stock Company)

Notes to the Consolidated Financial Statements for the Financial Year Ended 31 December 2024 – Continued

**41- Non-controlling interests (continued )**

The following table summarize the information related to subsidiaries companies that has a significant non-controlling interests before any elimination in the Group at 31 December 2023

EGP	Rowad for Modern Engineering	EL Sewedy Cables - KSA Ltd.	Egyptian Co. for Solar Energy	EL Sewedy Electric - Zambia Ltd.	October Dry Port Company	Egyptian Co. For Electrical Insulators
NCI percentage	49%	40%	49%	40%	10%	25.17%
Non-current assets	952 817 643	1330 871 530	1 739 905 324	359 283 474	1740 544 346	54 051 236
Current assets	11206 630 766	5450 705 279	595 895 080	397 638 699	95 943 032	322 913 818
Non-current liabilities	( 158 418 679)	( 154 012 409)	(1 354 791 084)	( 44 170 041)	( 631 794 929)	( 6 014 504)
Current liabilities	(10 480 067 568)	(4 147 773 430)	( 527 564 893)	( 301 364 725)	( 395 437 065)	( 127 903 264)
<b>Net assets</b>	<b>1 520 962 162</b>	<b>2 479 790 970</b>	<b>453 444 427</b>	<b>411 387 407</b>	<b>809 255 384</b>	<b>243 047 286</b>
<b>Net assets attributable to NCI</b>	<b>745 271 459</b>	<b>991 916 388</b>	<b>222 187 769</b>	<b>164 554 963</b>	<b>80 925 538</b>	<b>61 175 002</b>
Revenue	10 096 416 895	10 017 094 684	299 707 045	512 220 610	10 386 136	338 941 046
Profit	704 718 083	1 707 965 731	36 072 333	43 698 511	( 127 804 693)	81 640 112
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>704 718 083</b>	<b>1707 965 731</b>	<b>36 072 333</b>	<b>43 698 511</b>	<b>( 127 804 693)</b>	<b>81 640 112</b>
<b>Profit allocated to NCI</b>	<b>345 311 861</b>	<b>683 186 292</b>	<b>17 675 443</b>	<b>17 479 404</b>	<b>( 12 780 469)</b>	<b>20 548 816</b>
total comprehensive income to NCI	-	-	-	-	-	-
Cash flows from operating activities	573 465 279	719 685 869	134 816 062	( 32 334 078)	112 516 116	( 6 238 471)
Cash flows from investment activities	( 510 265 826)	( 568 805 262)	( 14 085 339)	( 8 712 235)	( 86 562 004)	( 10 544 440)
Cash flows from financing activities	289 517 788	66 750 248	( 153 710 984)	8 613 394	( 247 242 116)	13 707 558
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>352 717 241</b>	<b>217 630 855</b>	<b>( 32 980 261)</b>	<b>( 32 432 919)</b>	<b>( 221 288 004)</b>	<b>( 3 075 353)</b>

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Notes to the Consolidated Financial Statements for the Financial year ended 31 December 2024 – Continued

#### 42- **Other liabilities**

<b>EGP</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Creditors – property, plant, and equipment purchase*	1 411 912 101	118 584 607
Government grants**	212 922 942	157 612 951
Long-term notes payable	534 407 708	158 418 679
Other payable	472 239 396	339 437 062
	<b>2 631 482 147</b>	<b>774 053 299</b>

- \* The creditors - property plant and equipment purchase balance includes amount of EGP 91 million related to the agreement for the purchase of 1.7 million square meters at 1, August 2017 between Canal General Authority for Economic Zone, the Egyptian Chinese Joint Investment Company, and the Red Sea Copper Company (Subsidiary Company).

The Red Sea Copper Company has fully recognized the present value of future payments resulting from the final settlement contract under the lands item in the Company's financial statements according to the effective interest rate, provided that the difference between the present value and the total payments is recognized as interest during the payment period or the customer's payment schedule, whichever is earlier according to the settlement contract.

- \*\* Energy companies in Greece obtained government grant according to the Greek law, and all legal requirements were fulfilled, taking into consideration the commitment to implement all terms and conditions to obtain and maintain the government grant.

In 2011 and 2012, the Company received approval and was subject to the provisions of Law 3299/2004 for the receipt of government grants. The estimate for the useful life of the assets at that time was 15 years. The Company received on 14 June 2013 an amount of EUR 4,1 million which concerns the total amount of the approved government grant for its investment in the "Soros" location in Argolida. Also, on 23 September 2013 the Company received an amount of EUR 3,8 million relating to the total amount of the approved government grant for its investment in the 'Astrapi' location in Argolida. Finally, on 25 October 2013 the Company received an amount of EUR 7,4 million relating to the total amount of the approved government grant for its investment in the 'Sabales' location in Argolida.

On 8 December 2015 the Ministry of Economy, Development and Tourism issued decision number 126391/2015, which amended the decision of inclusion in Soros and reduced the percentage of the grant from 40% to 30%. As a consequence, the Company recognized in its Financial Statements as Government Grants, the final amount of government grant actually approved, amounted to EUR 3,126, rather than EUR 4,168. The difference of EUR 1.1million was recognized as a long-term liability. The Company, in 2015, made an annulment request to the Council of State regarding the above decision. In 2023, the final decision of the Council of State, rejected the annulment request made by the Company previously, for the reduction of the government grants from 40% to 30%. According to the SPA between Elsewedy Electric Ermionida and RF Energy dated 13 June 2019 this amount should be paid by RF Energy, previous owner to the Company as the legal successor of Elsewedy Electric Ermionida. So, an accrued income amounted to EUR 1,1 million has been recognized in the Statement of profit or loss consolidated for the period.

#### 43- **Derivatives –Forward contracts**

The Company's management entered into non – deliverable forward contracts with non-local banks to meet expected foreign currency financial liabilities and to cover letter of credits for purchasing the needs of the Group's subsidiaries.

#### 44- **Financial instruments and their related risks**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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### **Risk Management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### **44-1 Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

<b>EGP</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Impairment loss on trade and other receivables	7 455 622 888	4 369 397 264
<b>Total</b>	<b>7 455 622 888</b>	<b>4 369 397 264</b>

### **Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the Group's customer base, including the risk of default related to activity have less impact on credit risk.

The Group's Management has established a Group of credit policies by virtue of which each new customer is analyzed individually for creditworthiness in terms of the payment and delivery terms and conditions offered thereto. The Group is working to obtain advance payments.

Credit risk is the Group's exposure to financial losses in case other parties dealing with it fail to meet their contracted obligations. This risk arises from trade and other receivables, the total credit risk is represented as follows:

<b>EGP (Millions)</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Trade receivables- non current	1 894	2 771
Trade receivables – Current portion	49 344	24 567
Retentions receivables – Current portion	7 649	4 469
Contract assets	18 052	16 180
Other receivables – Current portion	4 391	2 418
Due from related parties	2 433	2 665
Cash and cash equivalents	38 180	25 552
<b>Total</b>	<b>121 943</b>	<b>78 622</b>

The credit risk of customers and contract assets is exposed by the geographical area was as follows:

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EGP (Millions)	31 December 2024	31 December 2023	
Inside Egypt	44 181	20 575	
Outside Egypt	25 109	22 943	
<b>Total</b>	<b>69 290</b>	<b>43 518</b>	
Aging of trade receivables – current portion, retention receivables and contract assets as at 31 December 2024 are as follows:			
EGP(Millions)	Trade receivables – current portion	Retentions Receivables	Contract assets
Not due	37 751	7 649	17 608
Due till 30 days	4 839	-	2
Due for 31 to 120 days	5 719	-	416
Due for 121 to 180 days	811	-	1
Due for more than 180 days	2 454	-	2
Others	5 226	-	23
	<b>56 800</b>	<b>7 649</b>	<b>18 052</b>
<b>Less: Impairment losses</b>	(7 456)	-	-
	<b>49 344</b>	<b>7 649</b>	<b>18 052</b>

Aging of trade receivables – current portion, retention receivables and contract assets as at 31 December 2023 are as follows:

EGP(Millions)	Trade receivables – current portion	Retentions Receivables	Contract assets
Not due	17 467	4 469	16 117
Due till 30 days	2 239	-	2
Due for 31 to 120 days	2 646	-	38
Due for 121 to 180 days	375	-	1
Due for more than 180 days	1 135	-	2
Others	2 418	-	20
	<b>26 280</b>	<b>4 469</b>	<b>16 180</b>
<b>Less: Impairment losses</b>	<b>(1 713)</b>	<b>-</b>	<b>-</b>
	<b>24 567</b>	<b>4 469</b>	<b>16 180</b>

#### **Cash and cash equivalents**

The Group held cash and cash equivalents of EGP 38 180 002 322 as at 31 December 2024 (2023: EGP 25 552 044 800). The cash and cash equivalents are held with banks and financial institution counterparties.

#### **Investment in Debt securities**

The Group limits its exposure to credit risk by investing only in high liquidity debt securities and only with counterparties that have a good credit rating.

#### **44-2 Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities at their maturity dates.

The Group's methodology when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring Unacceptable losses or inflicting damage to the Group's reputation. The Group ensures that it will have sufficient liquidity when demanded to meet its expected operational cost for an appropriate period including the burdens of financial liabilities, after excluding the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters.

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- The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.
- The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days.
- The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 December 2024, the expected cash inflows from trade and other receivables maturing within two months were EGP 16 798 176 284 (2023: EGP 2 174 451 250) and the expected cash outflows from trade and other payables due within two months were EGP 15 532 583 448 (2023: EGP 782 675 244 ).

**The Group maintains major lines of credit from the following banks:**

Abu Dhabi Commercial Bank - UAE, European Bank for Reconstruction and Development, HSBC Dubai, National Bank of Commerce Tanzania, National Bank of Greece , National Bank of Kuwait - Egypt, National Bank of Kuwait - Egypt, Proparco Foundation.

**Exposure to liquidity risk**

The liabilities due to the Company's suppliers and bank at reporting date of the consolidated statement of financial position are as follows:

EGP (Millions)	Total book value	Less than one year	From 1-2 years
Trade and other payables	54 720	54 720	-
Due to related parties	2 145	2 050	122
Banks – Credit facilities	40 049	40 049	-
Loans and borrowings	19 033	12 685	8 163

- The outflows disclosed in the table above represent undiscounted contractual cash flows relating to derivative financial obligations held for risk management purposes that are not normally closed before contractual maturity. The table shows the net cash flow amounts for financial instruments representing the net amounts settled in cash and the total cash inflows and outflows of financial instruments that have a simultaneous total cash settlement.

**44-3 Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity instrument prices may affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within the limits of acceptable parameters while maximizing the return.

**44-3-1 Currency risk**

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Egyptian pound, US dollar and Euro. The currencies in which these transactions are primarily denominated are EGP, USD and Euro.

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### Exposure to currency risk

(Millions)	USD	Euro	GBP	SAR	KWD
<b>Financial assets:</b>					
Trade and other receivables	431	78	47	67	5
Cash and cash equivalent	326	59	8	94	1
<b>Total Financial assets</b>	<b>757</b>	<b>137</b>	<b>55</b>	<b>161</b>	<b>6</b>
<b>Financial liabilities:</b>					
Trade and other payables	( 325)	( 49)	( 4)	-	-
Loans and borrowings	( 340)	( 36)	( 6)	( 3)	( 1)
<b>Total financial liabilities</b>	<b>( 665)</b>	<b>( 85)</b>	<b>(10)</b>	<b>( 3)</b>	<b>( 1)</b>
<b>Net assets</b>	<b>92</b>	<b>52</b>	<b>45</b>	<b>158</b>	<b>5</b>
<b>Equivalent EGP</b>	<b>4 684</b>	<b>2 756</b>	<b>2 873</b>	<b>2 142</b>	<b>826</b>

-Based on management assessment for exposure to currency risk, the outcome was as follows: -

- The Group has a positive currency position.
- Revenue dominated in foreign currencies is almost sufficient to satisfy the Group's needs.
- The Group is not facing difficulties getting foreign currencies when needed.
- Next year, the forecast for the Group currency position is positive.

The following are the significant foreign currency exchange rates during the year:

	Closing rates		Average rates	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD	50.91	30.96	43.96	30.59
Euro	53.00	34.17	47.62	33.08
GBP	63.85	39.42	56.20	38.02
SAR	13.56	8.26	11.72	8.15
KWD	165.25	100.78	143.24	99.51

### Sensitivity analysis

The reduction of EGP as indicated above against the other foreign currencies (USD and Euro) on 31 December 2024 may result in a decrease in equity and profit or loss as per the amounts shown below.

This analysis is based on the exchange rate changes that the Group believes are likely to be realized at the reporting date and assumes that all other variables, particularly interest rates, shall remain constant and ignores the impact of forecasted revenue and estimated costs.

(EGP Millions)	31 December 2024	31 December 2023
<b>Effect of change</b>	<b>%10</b>	<b>%10</b>
USD	468	146
Euro	276	120
GBP	287	225
SAR	214	13
KWD	83	514
<b>Total</b>	<b>1 328</b>	<b>1 018</b>



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#### 44-3-2 Interest rate risk

The Group adopts a policy of ensuring that the exposure to changes in interest rates on borrowings is on a fixed rate basis. The Group does not enter into an interest rate swap.

##### Exposure to interest rate risk

This risk represents the change effects of interest rates inversely over Assets & liabilities values. The Company's management allocate its cash investments over fixed rate channels & short-term channels, to avoid the interest rates fluctuation over value of assets & its return. It also takes loans according to Libor, Euribor, corridors plus margin.

The following are the interest-bearing financial instruments:

EGP (Millions)	Netbook value	
	31 December 2024	31 December 2023
<b>Fixed-rate instruments</b>		
Financial assets	15 858	5 898
Financial liabilities	(19 033)	(14 236)
	<b>(3 175)</b>	<b>(8 338)</b>
<b>Variable -rate instruments</b>		
Financial assets	23 027	20 362
Financial liabilities	(40 049)	(27 531)
	<b>(17 022)</b>	<b>(7 169)</b>

##### **Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

EGP (Millions)	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 December 2024</b>				
Variable-rate instruments	170	(170)	170	(170)
<b>Cash flow sensitivity</b>	<b>170</b>	<b>(170)</b>	<b>170</b>	<b>(170)</b>
<b>31 December 2023</b>				
Variable-rate instruments	71.69	(71.69)	71.69	(71.69)
<b>Cash flow sensitivity</b>	<b>71.69</b>	<b>(71.69)</b>	<b>71.69</b>	<b>(71.69)</b>

**The average interest rates for the financial instruments are as follows:**

	EGP	EURO	USD
Financial assets	23.50%	-	5.3%
Financial liabilities	28.68%	3.92%	6.49%

##### Other market price risks

The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes. Management is assisted by external advisors in this regard.

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#### **44-4 Fair value measurements**

As of 31 December 2024, and 2023, the Group has no financial assets or financial liabilities measured at fair value, and they are measured at amortized cost, Group's assets and liabilities represented in balances of cash and cash equivalents, Trade and other receivables and payables, loans and credit facilities, investments in debt instruments, in addition to related parties' balances. The carrying amounts of the Group's assets and liabilities is a reasonable approximation of their fair value.

#### **45- Material accounting policies**

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

#### **45-1 Basis of consolidation**

##### **Business combinations**

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition, if an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

##### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, Variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### **Non-controlling interests (NCI)**

NCI are measured initially at their proportionate share of the acquirer's Identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### **Loss of control**

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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### **Interests in Equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

### **Transactions eliminated on consolidation.**

Intra-group balances, transactions and any unrealized income and expenses (except for foreign currency translation gain or losses) arising from intra-group transactions are eliminated. Unrealized gain arising from transaction with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way of unrealized gain but only to the extent that there is no evidence of impairment.

## **45-2 Property, plant and equipment**

### **Recognition and initial measurement**

Items of Property, plant and equipment assets are measured at cost which include capitalized borrowing cost less accumulated depreciation and any accumulated losses at the reporting date of the consolidated financial statements. Cost includes expenditure that is directly attributable the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any others cost directly attributable bringing the asset to a working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in consolidated statements of profit or loss.

### **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is Probable that the future economic benefits associated with the expenditure will flow to the Group.

### **Depreciation**

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative years are as follows:

<b>Asset</b>	<b>Years</b>
Buildings & constructions	8 -50 years
Lease hold improvements	over 3 years or the lease period whichever is less
Machinery & equipment	5-15 years
Furniture and fixtures	4 -17 years
Vehicles	5-8 years

Depreciation methods, useful lives and residual values for property plant and equipment are reviewed at the end of each financial period and have been adjusted if needed.

### **Project under construction**

Project under progress is recognized by cost. The cost includes all expenditure that are directly related to and necessary for the asset to be ready for using and the purpose for which acquired. The project under construction are transferred to property plant and equipment when finished and available for use.

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#### **45-3 Foreign currencies**

##### **- Foreign currencies translation**

Transactions in foreign currencies are translated to the respective functional currency of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- An investment in equity securities designed as at FVOCI (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss).
- financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, and,
- Qualifying cash flow hedges to the extent that the hedges are effective.

##### **Foreign operations**

Assets and liabilities, including goodwill and fair value adjustments arising from acquisition are translated at the exchange rate at the reporting date. The income and expenses of the foreign operations are translated into the functional currency (Egyptian pound) at the exchange rate on the date of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes a part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes a only part of an associate or joint venture While retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### **45-4 Intangible assets and goodwill**

##### **Recognition and measurement**

##### **Goodwill**

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

##### **Research and development**

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

##### **Other Intangible assets**

Other Intangible assets, including customer relationships, patents and trademarks, that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

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### **Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

### **Amortization**

Amortization is calculated to write-off the cost of Intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and amortization expense is recognized in profit or loss.

Goodwill is not amortized.

Each reporting period amortization method, useful life and residual values are revised and changed if it's appropriate.

<b>Item</b>	<b>Amortization method</b>
Development costs	Straight line method based on useful life

## **45-5 Inventories**

Inventories are measured at the lower of cost and net realizable value. Net realizable value is determined based on the estimated selling price in the normal course of business minus the estimated cost for completion and any selling costs. The net realizable value of the quantity of inventory held to satisfy firm sales is based on the contract price. If the sales are for less than the inventory quantities held, the net Realizable value of the excess is based on general selling price. Cost of raw materials is determined using the weighted average method. In case of finished goods and work in process, cost includes direct material and direct labor cost and an appropriate share of indirect overhead.

## **45-6 Share capital**

### **Ordinary shares**

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS (24) "income tax".

### **Repurchase and reissue of ordinary shares (Treasury shares):**

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are deducted from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

## **45-7 Dividends**

Dividends for Company shareholder are recognized as a liability upon declaration in which the dividends are approved by the shareholders ordinary general meeting.

## **45-8 Provisions**

Provisions are recognized when the Group has a legal or constructive obligation as a result of past event, and it is Probable that an outflow of economic benefits will be required to Settle the obligation and the liability can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market adjustments of the time value of money and the risks specific to the liability. The provisions are reviewed at each reporting date and amended, (when necessary), to represent the best current estimate.

**Warranties:** A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

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**Site restoration:** In accordance with the Group's contractual obligation and applicable legal requirements, a provision for site restoration in respect of contracts issued, and the related expense for restoring the site, is recognized when there is a legal or contractual obligation to restore the site to its previous state.

**Onerous contracts:** A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

**Property, plant and equipment retirement obligations** represents the future value of the appropriate level of inventory items the Company shall transfer at the end of the term of the PPA. The Company has recognized the provision for transfer cost at fair value representing the net present value of future cash flows required to settle the obligation.

The Group had determined the future cash flow based on the latest available prices for items expected to be transferred. The initial net present value of the provision has been capitalized as part of the cost of the Dry Port's equipment.

Change in the measurement of an existing transfer cost provision that result from changes in the estimated timing, or amount of the outflow of resources embodying economic benefits required to settle the obligation or change in discount rate shall be accounted as follows:

- A) Subject to changes in the liability shall be added to or reduced from the cost of the related assets in the current period.
- B) The amount deducted from the cost of the assets shall not exceed its carrying amount if a decrease in the liability exceeds the carrying amount of the assets, the excess shall be recognized immediately in the profit or loss.
- C) If the adjustment result in addition to the cost of an asset, the Group shall consider whether this is an indication that the new carrying amount of the assets may not be fully recoverable

#### **45-9 Revenue recognition**

Revenue from contracts with customers is recognized by the group based on five step modules as identified in EAS No. 48. For each segment of the Group's revenue as follows

**Cables:** A contract might involve supplying bulk cables to a utility company over a specified period, detailing delivery schedules and pricing. Each delivery of cables is a distinct performance obligation if they are sold separately. If bundled with installation services, the obligation could be delivery and installation service combined. Consider the agreed price per meter of cable and any discounts or variable considerations (like rebates based on volume). If there are multiple performance obligations, the price should be allocated based on the standard selling prices of each type of cable or service. Revenue is recognized when the customer obtains control of the cables, typically upon delivery. If installation is included, revenue may be recognized upon completion of that service.

**Construction:** An agreement for a construction project could include the scope of work, materials to be used, timelines, and payment terms. Performance obligations include completing specific milestones, such as foundations, framing, and finishing work, which may require separate recognition based on completion. The transaction price may include fixed fees, variable amounts tied to project milestones, or adjustments for overruns and change orders. Allocate the total contract price to each performance obligation based on the relative standalone selling prices. Revenue is recognized based on the percentage of completion or when a performance obligation is satisfied .

**Electrical Products:** A sales agreement for electrical products such as switches or circuit breakers, including terms for delivery, warranties, and return policies. : If multiple products are sold together each product may be a separate performance obligation if they can function independently. The price should reflect any discounts, rebates, or warranties and should consider potential returns based on historical data. If products are sold together with installation services, allocate the transaction price between the products

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and services based on their relative standalone selling prices. Revenue is recognized at the point in time when the customer takes control of the products, usually upon delivery or shipment, unless installation is a performance obligation requiring revenue recognition upon completion.

- The Group has applied this standard retrospectively, with proof of the cumulative effect of the initial application of this standard on the date of initial application as of 1 January 2021.
- The entity recognized the cumulative effect of the initial application of this standard as an adjustment in the opening balance of the carry-forward profits for the annual reporting period that includes the date of the initial application and under this transitional method, the entity applied this standard retrospectively only to contracts that had not been completed on the date of initial application.

**Step 1:** Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which should be met for each contract.

**Step 2:** Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

**Step 3:** Determine the transaction price: Transaction price is the compensation amount that the Group expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

**Step 4:** Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Group will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Group expects to receive in exchange for each performance obligation satisfaction.

**Step 5:** Revenue recognition when the entity satisfies its performance obligations.

The Group satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

- a) Group performance does not arise any asset that has an alternative use of the Group and the Group has an enforceable right to pay for completed performance until the date.
- b) The Group arise or improves a customer-controlled asset when the asset is arising or improved.
- c) The customer receives and consumes the benefits of Group performance at the same time as soon as the group has performed.

When the Group satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained(contract asset), when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contract liability).

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Group, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. (48) requires management to use the following judgements:

#### **Satisfaction of performance obligation**

The Group should assess all contracts with customers to determine whether performance obligations are satisfied over a period or at a point in time in order to determine the appropriate method for revenue recognition. The Group estimated that, and based on the agreement with customers, the Group does not arise asset has alternative use to the Group and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the Group recognizes revenue over a period, and if that is not the case, revenue is recognized at a point in time. for the sale of goods, and revenue is usually recognized at a point in time.

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### **Determine the transaction price**

The Group has to determine the price of the transaction in its agreement with customers, using this judgement, the Group estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash return in the contract.

### **Control transfer in contracts with customers**

If the Group determines the performance obligations satisfaction at a point in time, revenue is recognized when control of related contract assets are transferred to the customer.

**In addition, the application of Egyptian Accounting Standard No. 48 has resulted in:**

### **Allocation of the transaction price of performance obligation in contracts with customers**

The Group allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Group considers the use of the input method, which requires recognition of revenue based on the Group's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Group estimates efforts or inputs to satisfy a performance obligation, in addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

### **Variable consideration:-**

if the consideration pledged in a contract includes a Variable amount, then the Group shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Group estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. this method is applied consistently throughout the contract and for identical types of contracts.

### **The significant financing component**

The Group shall adjust the amount for the contract pledged for the time value of money if the contract has a significant financing component.

### **Gain on Sale of investments**

Gain on sale of financial investments is recognized when ownership transfers to the buyer, based on the difference between the sales price and it's carrying amount at the date of the sale.

### **Finance income and finance costs**

The Group's finance income and finance costs include:

- Interest income.
- Interest expense.
- Dividends expenses on preference shares issued classified as financial liabilities.
- The net gain or loss on financial assets at fair value through profit or loss.
- The foreign currency gain or loss on financial assets and financial liabilities
- The gain on the measurement to fair value of any pre-existing interest in an acquire in a business combination.
- The fair value loss on contingent consideration classified as a financial liability.
- Hedge ineffectiveness recognized in profit or loss; and
- The reclassification of net gains and losses previously recognized in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

Interest income or expense is recognized under the effective interest rate.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:



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the gross carrying amount of the financial asset; or

the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### **45-10 Expenses**

Operating expenses, selling and distribution, administrative expenses and other expenses are recognized using the accrual basis of accounting and as such are recognized in the consolidated statement of profit or loss as incurred.

#### **45-11 Employees benefits.**

##### **Social Insurance Scheme**

The obligations of the Defined Contribution Benefit Plan are recognized as an expense upon the performing of the relevant service. Contributions paid in advance are recognized as an asset to the extent that the advance payment leads to a reduction in future payments, or a cash refund.

The companies which are located in Egypt contribute to the governmental social insurance system for of its employees according to the social insurance Law No. 79 of 1975 and its amendments.

The Group's obligation in respect of employees' pensions is confined to the amount of the contributions. The employees and employer contribute for this law by a fixed percentage of salaries.

The Group's contributions are recognized in the statement of profit or loss using the accrual basis of accounting.

#### **45-12 Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

##### **Current Income tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

##### **Deferred tax:**

Deferred tax is recognized in respect to temporary differences between the carrying amounts of assets and liabilities for accounting base and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arise on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the

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group. unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

#### **45-13 Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, an entity shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

#### **45-14 Financial instruments**

##### **1) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### **2) Classification and subsequent measurement**

###### **Financial assets – classification**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investments at FVOCI. This election is made on an investment-by-investment basis.

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All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Financial assets- Business Model Assessment:**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the Sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Group's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

**The business models of the Group are as follows.**

– **Held to collect.**

There are two main portfolios of financial assets that have a held-to-collect business model.

The Group holds financial assets which arise from its main operation. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to collect contractual interest income on the amounts collected. See Note No. (21,25,26)

The Group also holds a portfolio of corporate debt securities for the purposes of earning fixed coupons throughout the life of the instrument, as well as maintaining a largely fixed interest rate profile to manage its interest rate risk exposure see Note No. (27).

– **Held to collect and sell.**

The Group holds a portfolio of corporate debt securities for liquidity management purposes.

– **Held for trading.**

The Group doesn't hold a portfolio of equity securities for the purposes of trading.

### **Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of

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the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Financial assets – Subsequent measurement and gains and losses:**

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**3) Derecognition**  
**Financial assets**

When an entity transfers a financial asset, it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- (a) if the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
- (b) if the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognize the financial asset.

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- (c) if the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset. In this case:
- (i) if the entity has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
  - (ii) if the entity has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset

#### **Financial liabilities**

The group shall remove a financial liability (or a part of a financial liability from its statement of financial position when, and only when, it is extinguished- (i.e. when the obligation specified in the contract is discharged or cancelled or expires). An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

#### **4) Offsetting**

A financial asset and a financial liability shall be offsetted and the net amount is presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognized amounts; and
- (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### **45-15 Impairment**

##### **1) Non-derivative financial assets**

##### **Financial instruments and contract assets**

The Group recognizes loss allowances for ECL on:

- Financial assets measured at amortized cost.
- Debt investments measured at FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured at 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

##### **The Group considers a financial asset to be in default when:**

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or

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– The financial asset is more than 30 days past due.

Lifetime ECL are the ECL that result from all Possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are Possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

### **Measurement of ECL**

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECL are discounted at the effective interest rate of the financial asset.

### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### **Evidence that a financial asset is credit-impaired includes the following observable data:**

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than (from 90-360 days based on the estimated period determined by each component) days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is Probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for security because of financial difficulties.

### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

### **Write-off**

The gross carrying amount of a financial asset is written off when the Group has no Reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is (from 2-4 years based on the estimated period determined by each component) past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## **2) Non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in the previous years.

#### **45-16 Lease contract**

##### **45-16-1 As a lessee**

##### **Recognition**

The Group assesses at the inception of the contract whether the contract is a lease contract or includes a lease. contract and lease contract or include a lease if the contract transfers the right to control the use of a specific asset for a period in return for consideration.

##### **Measurement of Right of use assets**

At the inception date of the lease, the group measures the right of use asset at cost, and the usufruct asset is subsequently measured at cost minus any accumulated depreciation and any accumulated impairment losses.

The cost of the "Right of Use" asset consists of:

- (a) The amount of the initial measurement of the lease liability
- (b) Any lease contract payments made on or before the commencement date of the lease less any lease incentives received
- (c) Any initial direct costs incurred by the lessee
- (d) An estimate of the costs to be incurred by the lessee in dismantling and removing the asset subject of the contract, restoring the site on which it located or restoring the underlying asset to the condition required by the terms and conditions of the lease contract.

### **Measuring of the lease contract liability**

At the commencement date of the lease, the Group measures the lease liability at the present value of the unpaid lease payments on that date, discounting the lease payments using the interest rate implicit in the lease if that rate can be readily determined. If it is not possible to determine that rate easily, the group uses the interest rate on the additional borrowing of the lessee, and the lease commitment is subsequently measured by increasing the carrying amount to reflect the interest on the lease commitment and reducing the carrying amount to reflect the lease payments.

The lease payments at the commencement date of the lease and included in the lease liability measurement, consist of the following payments for the right of used asset during the lease term that were not made on the lease commencement date:

- (a) Fixed payments (including substantially fixed payments) less any lease incentives receivable.
- (b) variable lease payments that are dependent on an index or rate, and are initially measured using the index or rate at the commencement date of the lease
- (C) Amounts expected to be paid by the Group under residual value guarantees.
- (d) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option and it has been valued
- (e) Penalty payments for terminating the lease if the lease term reflects the lessee's exercise of the option to terminate the lease.

### **Short-term lease contracts and lease contracts in which the underlying asset is of small value.**

The Group has elected not to recognize the right-of-use asset and lease liabilities for short-term lease contracts and lease contracts in which the underlying asset is of small value, as the Group recognizes the lease payments associated with those leases as an expense either on a straight-line basis over the term of the lease.

#### **45-16-2 As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies EAS (48) to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS (47) to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

#### **45-17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.



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When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

#### **45-18 Governments grants**

Government grants are recognized at fair value when there is reasonable assurance that the grant will be collected, and the Group will comply with all relevant conditions.

Government grants related to the grants for tangible assets are recognized when there is reasonable assurance that the grant will be collected, and all relevant conditions will be met. These grants are recognized as deferred income and are transferred to the consolidated statement of profit or loss during the period based on the expected useful life of the asset, for which the grant was received.

Government grants, relating to expenses, are recorded as deferred income, and recognized in the income statement over the period required so they are matched with the expenses they are intended to compensate. The Government Grant delivered to the group is reported as long-term liability and is gradually recognized annually as income reducing the liability until the liability is eliminated by the end of life of the park.

#### **45-19 Investment property**

Investments property represented in real estate or lands held for rent or increase in value or both. Investment property is initially measured at cost less accumulated depreciation and any accumulated losses, depreciation expense and accumulated depreciation are recognized in the consolidated statement of profit or loss.

Investment property depreciated based on the straight-line method over the estimated useful life for each item of investment property. The land is not depreciated. The following table shows the estimated useful life for each item:-

Item or Description	Estimated useful life
Buildings and construction	20 to 25 years

#### **45-20 Joint operations**

Joint operations are joint arrangements in which the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The activities of a joint operation are primarily designed for the provision of output to the parties to the arrangement, indicating that:

- the parties have the rights to substantially all the economic benefits of the assets of the arrangement; and
- all liabilities satisfied by the joint participants through their purchases of that output.

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This indicates that, in substance, the joint participants have an obligation for the liabilities of the arrangement.

The financial statements of the Group include its share of the assets in joint operations, together with its share of the liabilities, revenues and expenses arising jointly or otherwise from those operations and its revenue derived from the sale of its share of output from the joint operation. All such amounts are measured in accordance with the terms of each arrangement which are usually in proportion to the Group's interest in the joint operation.

#### **45-21 New issuances and amendments on Egyptian Accounting Standards:**

On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, on 23 October 2024 another decision was issued by the Prime Minister No. (3527) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments:

<b>New or reissued standards</b>	<b>Summary of the most significant amendments</b>	<b>Impact on the financial statements</b>	<b>Effective date</b>
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p>	<p>The Company is currently assessing the impact of applying this new standard on its financial statements. Egyptian Accounting Standard No. (50) "Insurance Contracts".</p>	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No.</p>

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (10) "Fixed Assets ".</li> <li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li> </ul> <p>1- - Egyptian Accounting Standard No. (34) " Investment property ".</p>		<p>(37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (10) "Fixed Assets ".</li> <li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li> <li>- Egyptian Accounting Standard No. (34) " Investment property ".</li> </ul>
<p>Egyptian Accounting Standard No. (34) amended 2024 "Investment Property "</p>	<p>The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account</p>	<p>The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.</p>	<p>The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the</p>

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<b>New or reissued standards</b>	<b>Summary of the most significant amendments</b>	<b>Impact on the financial statements</b>	<b>Effective date</b>
	paragraphs (35a) and (35b) of the standard.		Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	No effect in the financial statements.	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.	No effect in the financial statements.	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon	The Company is currently assessing the impact of applying this new standard on	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority “FRA” for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market “VCM”.</p> <p>The accounting treatments vary according to the nature of the arrangement and the commercial purpose of purchasing certificates or issuing them by project developers. Companies must then identify the facts and understand the different circumstances to determine the appropriate accounting treatment and the accounting standard to be applied. The explanation addresses the accounting treatment for different cases in terms of initial measurement, subsequent measurement, exclusion from the books, and necessary disclosures.</p>	its financial statements.	<p>represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority “FRA” for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market “VCM”.</p>
Egyptian accounting standards no. (51) Financial Reporting in	This Standard shall be applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy	The Company is currently assessing the impact of applying this new standard on its financial statements.	Egyptian Accounting Standard No. (51) is effective from the beginning of the reporting period in which it identifies the existence of hyperinflation

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Hyperinflationary Economies			

**B) The difficulty of currency exchange.**

- On March 3, 2024, the Prime Minister issued Resolution No. 636 amending Egyptian Accounting Standard No. (3) "Effects of Changes in Foreign Exchange Rates" (Egyptian Accounting Standard No. 13) Paragraph 57 A, which is effective as of January 1, 2024.

The Company applied the amendment to Paragraph No. 57A of Egyptian Standard No. 13 and conducted an assessment to determine whether there is a difficulty in exchanging foreign currencies against the Egyptian pound. Below is a summary of the results of this assessment.

The Company has assessed that there is no difficulty to exchange assets denominated in foreign currencies as of January 1, 2024, the date of application of the amended Egyptian Accounting Standard No. 13. This assessment was made on the basis that assets denominated in foreign currencies can be exchanged in the bank at any time without any difficulty.

The Company has also assessed that there is no difficulty exchanging foreign currency denominated liabilities, to the extent that foreign currency denominated assets can be used to settle such liabilities. And that there are no obligations denominated in foreign currencies that will be settled outside the banking system. There is no estimate that there is difficulty in exchanging these balances, and there is no monetary impact of applying the amended Egyptian Accounting Standard No. 13.

**Currency Position**

**The following is a summary of the assets and liabilities valued in US dollars as at 1 January 2024.**

	USD	EUR	GBP	SAR	KWD
<b>Financial assets</b>					
Trade receivables and other debit balance	321	79	50	17	54
Cash and cash equivalent	309	36	19	-	-
<b>Total financial assets</b>	<b>630</b>	<b>115</b>	<b>69</b>	<b>17</b>	<b>54</b>
<b>Financial liabilities that are readily tradable:</b>					
<b>Trade payables and other credit balance</b>	(218)	(25)	(4)	(1)	(3)
<b>Loans and borrowings</b>	(365)	(55)	(8)	-	-
<b>Total financial liabilities</b>	<b>(583)</b>	<b>(80)</b>	<b>(12)</b>	<b>(1)</b>	<b>(3)</b>
<b>Net financial assets</b>	<b>47</b>	<b>35</b>	<b>57</b>	<b>16</b>	<b>51</b>