Translated "Originally issued in Arabic"

Maridive And Oil Services
An Egyptian Joint Stock Company
Free Zone Company
Consolidated financial statements
For the year ended 31 December 2022
And auditor's report

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Maridive and Oil Services
An Egyptian Joint Stock Company
Free Zone Company
Consolidated financial statements
For the year ended 31 December 2022

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Hazem Hassan
Public Accountants & Consultants

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Auditor's report on the consolidated financial statements

To: The Shareholders' of Maridive and Oil Services Company

Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of Maridive & Oil Services Company "an Egyptian Joint Stock Company – Free Zone Company" and its' subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2022, and the related 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 Consolidated Financial Statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards, and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit except for the effects of the matters described in notes no. (A, B, C, D, E and F), We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws except those mentioned in basis of qualified opinion. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 risks of material misstatement of the 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.

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

Basis for Qualified Opinion

A- As stated in Note no. (13) of the notes to the consolidated financial statements, the company has a Goodwill balance that amounted to USD 5.1 M, which resulted from the company's acquisition of Maritide & Oil services Company during the previous years. The company did not provide us with the study of the impairment of goodwill in accordance with the requirements of Egyptian Accounting Standard No. (31) "Impairment of assets". We were unable to perform any alternative audit procedures to validate the valuation of the balance of the Goodwill.

B- As stated in Note No. (16) of the notes to the consolidated financial statements, there is within the item "Letters of guarantees covers" an amount of USD 2.1 M on December 31, 2022, with Riyad Bank, Kingdom of Saudi Arabia, of Valentine Maritime Ltd, the company's management did not provide us with the bank confirmations that Supports this balance. We were unable to perform any alternative audit procedures to verify the accuracy and completeness of transactions and balances with these banks.

C- As stated in Note No. (17) of the notes to the consolidated financial statements, the company's management did not provide us with some bank confirmations with a total amount of USD 3 M as of December 31, 2022, for Abu Dhabi Islamic Bank, Commercial International Bank, Credit Agricole, Bank of Cairo, Arab African bank and Emirates NBD We were unable to perform any alternative review procedures to verify the accuracy of the completeness of transactions and balances with these banks.

D- As stated in Note No. (21) of the notes to the consolidated financial statements, the company's management did not provide us with the confirmations for the balance of loans amounted to USD 158.2 M as of December 31, 2022, due to Abu Dhabi commercial Bank, Abu Dhabi Islamic Bank, Fujairah national bank, Ajman bank and Arab African Bank and HSBC . We were unable to perform any alternative audit procedures to verify the accuracy and completeness of these balances.

E- As stated in Note No. (22) of the notes of the consolidated financial statements, the company has not committed to pay the installments due for the current loans on December 31, 2022 according to the schedule agreed upon in the contracts of these loans, in addition to the company's failure to fulfill the debt covenants for those loans until December 31, 2022, and the company did not obtain a waiver letter from the debt covenants for that from the lending banks until December 31, 2022. Despite that, the management classified the loan installments that were due during the year as a long-term liability, in violation of the Egyptian Accounting Standard No. (1) "Presentation of Financial Statements ".

F- The company did not comply with the requirements of Egyptian Accounting Standards No. (47) "Financial Instruments" which should be applied for the financial periods beginning on or after January 1, 2021. We were not able to take any alternative procedures to verify the potential financial impact on the consolidated financial statements as a result of non-compliance with that standard.

Qualified Opinion

Except for the effects of the matters described in the basis for qualified opinion, in our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Maridive and Oil Services** Company as of December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and in the light of the Egyptian laws and regulation

Emphasis of matters

Without considering this as a qualification to our opinion as detailed in Note No. (30), we bring attention to the fact that the company has a net loss of USD 106.3 M for the financial year ended on December 31, 2022,with accumulated losses amounted to USD 380.1 which exceeded the half of total equity on that date and the current liabilities exceeded current assets by an amount of USD 283.1 M and these circumstances indicate the existence of a significant uncertainty that may lead to a doubt in the company's ability to continue as a going concern the company financial statements have been prepared on the assumption that it will continue to practice its authority. Through new contracts with the customers and the purchase offer to acquire one of the company's subsidiaries which has accumulated losses for several years , so that will positively affect the company's activity result in the foreseeable future.

According to article no.(69) of the companies' law no.(159) of 1981 and its amendments ,an Extra Ordinary General Assembly meeting has to be held to decide on the company's continuing as a going concern.

- As detailed in Note No. (29) of the notes of the financial statements, that on November 3, 2020, the Maridive offshore project's branch management received the tax assessment from the General Authority for Zakat and Income Tax in the Kingdom of Saudi Arabia, the tax assessment for income tax and withholding tax for the years from 2015 to 2018 with an additional tax due in the amount of USD 6.7 M for income tax and withholding tax. The Company has studied the assessment received from the authority and submitted a tax appeal to it on December 30, 2020, and based on the assessment that was made, the Company considers that the General Authority for Zakat is not entitled to this and the objection procedures with the General Authority for Zakat and Income are still in progress, and the final result of the assessment amount cannot be determined at the time. Therefore, no provision has been made to meet these obligations.

KPMG Hazem Hassan
Public Accountants and Consultants
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Hany Selim - Partner
Financial Regulatory Authority No. (397)
KPMG Hazem Hassan

Cairo, May 15, 2023

Maridive And Oil Services
An Egyptian Joint Stock Company - (Free Zone Company)
Consolidated statement of financial position
(All amounts are in United States Dollar)

Translated "Originally issued in Arabic"

	Note	31/12/2022	31/12/2021 (Restated)	1/1/2021 (Restated)
Assets				
Non-current assets				
Property, plant and equipment (Net)	10	515 711 975	548 021 707	584 238 343
Projects under construction	11	7 249 567	6 845 892	5 978 105
Intangible assets	12	558 889	89 529	131 976
Goodwill	13	5 131 275	5 131 275	5 131 275
Loans from related parties		-	-	834 925
Total non-current assets		528 651 706	560 088 403	596 314 624
Current assets				
Inventories	18	17 100 353	16 911 124	18 244 240
Trade receivables	14	53 827 435	48 490 082	57 625 924
Amounts due from customers	15	9 696 693	11 786 030	21 593 699
Prepayments & other debit balances	16	33 711 201	35 868 098	33 413 315
Due from related parties	24-1	181 130	235 102	221 716
Cash and cash equivalent	17	10 496 097	5 782 632	7 918 365
Total current assets		125 012 909	119 073 068	139 020 605
Total assets		653 664 615	679 161 471	735 335 229
Equity				
Issued and paid-up capital	25	188 102 296	188 102 296	188 102 296
Reserves		113 066 301	113 153 704	113 062 570
Consolidation reserve	26	(2 556 743)	(2 556 743)	(2 556 743)
Retained losses		(380 056 866)	(274 714 984)	(196 278 667)
(Deficit) / Equity attributable to holders of the parent		(81 445 012)	23 984 273	102 329 456
Non-controlling interest	27	8 147 471	9 308 681	10 143 719
Total (deficit) / equity		(73 297 541)	33 292 954	112 473 175
Non-current liabilities				
Long term loans	21	307 784 291	247 910 084	290 768 697
Lease liabilities	19-1	11 088 291	15 320 383	16 728 279
Total non-current liabilities		318 872 582	263 230 467	307 496 976
Current liabilities				
Provisions	23-1	50 013 165	13 474 138	6 405 553
Bank credit facilities	20	47 010 295	47 407 540	47 516 299
Long term loans - current portion	21	70 811 195	103 915 792	67 855 340
Trade and notes payable		95 507 861	80 867 900	71 985 801
Creditors & other credit balances	22	115 211 294	113 402 292	102 136 191
Due to related parties	24-2	29 535 764	23 570 388	19 465 894
Total current liabilities		408 089 574	382 638 050	315 365 078
Total liabilities		726 962 156	645 868 517	622 862 054
Total liabilities and shareholder's equity		653 664 615	679 161 471	735 335 229

The notes on pages 6 to 43 are an integral part of these consolidated financial statements.

Managing Director
Eng / Tarek Farid

Chairman
Mrs. Shahira Zeid

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Consolidated statement of profit or loss

(All amounts are in United States Dollar)

For the year ended December 31

	Note	2022	2021
Operating revenues	4	102 442 834	115 832 012
Operating costs	4	(72 280 927)	(131 700 939)
Gross operating profit / (loss)		**30 161 907**	**(15 868 927)**
Other income	7	12 632 748	4 065 761
Administrative expenses	5	(25 486 120)	(21 836 315)
Other expenses	6	(108 100 967)	(19 653 129)
Net finance costs	8	(13 271 009)	(24 116 976)
Net loss for the year before income tax		**(104 063 441)**	**(77 409 586)**
Income tax for the year		(2 278 526)	(1 710 544)
Net loss for the year		**(106 341 967)**	**(79 120 130)**
Attributable to:			
Equity holders of the parent		(105 341 882)	(78 421 404)
Non-controlling interests		(1 000 085)	(698 726)
		(106 341 967)	**(79 120 130)**
Basic &diluted losses per share (USD / Share)	9	(0.26)	(0.19)

The notes on pages 6 to 43 are an integral part of these consolidated financial statements.

Consloidated statement of comprehensive income

(All amounts are in United States Dollar)

For the year ended December 31,

	2022	2021
Net loss for the year	**(106 341 967)**	**(79 120 130)**
Other comprehensive income		
Foreign operations - foreign exchange translation differences	(184 986)	159 036
Total comprehensive income for the year	**(106 526 953)**	**(78 961 094)**
Attributable to:		
Equity holders of the parent	(105 429 285)	(78 345 183)
Non - controlling interest	(1 097 668)	(615 911)
	(106 526 953)	**(78 961 094)**

The notes on pages 6 to 43 are an integral part of these consolidated financial statements.

Maridive And Oil Services

An Egyptian Joint Stock Company - (Free Zone Company)

Consolidated statement of changes in equity

(All amounts are in United States Dollar)

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For the year ended December 31, 2022

	Issued and paid-up capital	Special reserve	Legal reserve	Foreign exchange translation reserve	Total reserves	Consolidation reserve	Retained gain / (losses)	Net loss for the year	Total owners of the Company	Non controlling interest	Total / (deficit)
Balance at 1 January 2021 before adjustments	188 102 296	76 877 138	36 234 019	(48 587)	113 062 570	(2 556 743)	(48 076 432)	-	250 531 691	10 611 687	261 143 378
Adjustments on retained losses-(Disclosure 32)	-	-	-				(148 202 235)	-	(148 202 235)	(467 968)	(148 670 203)
Balance at 1 January 2021 after adjustments	**188 102 296**	**76 877 138**	**36 234 019**	**(48 587)**	**113 062 570**	**(2 556 743)**	**(196 278 667)**	**-**	**102 329 456**	**10 143 719**	**112 473 175**
Comprehensive income											
Net loss for the year	-	-	-	-	-	-	-	(78 421 404)	(78 421 404)	(698 726)	(79 120 130)
Other comprehensive income	-	-	-	76 221	76 221	-	-	-	76 221	82 815	159 036
Total comprehensive income for the year	-	-	-	**76 221**	**76 221**	-	-	**(78 421 404)**	**(78 345 183)**	**(615 911)**	**(78 961 094)**
Transfer to retained losses	-	-	-	-	-	-	(78 421 404)	78 421 404	-	-	-
Transfer to legal reserve	-	-	14 913	-	14 913	-	(14 913)	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-	-	-	(219 127)	(219 127)
Balance at 31 December 2021	**188 102 296**	**76 877 138**	**36 248 932**	**27 634**	**113 153 704**	**(2 556 743)**	**(274 714 984)**	**-**	**23 984 273**	**9 308 681**	**33 292 954**
Balance at 1 January 2022	188 102 296	76 877 138	36 248 932	27 634	113 153 704	(2 556 743)	(274 714 984)		23 984 273	9 308 681	33 292 954
Comprehensive income											
Net loss for the year	-	-	-	-	-	-	-	(105 341 882)	(105 341 882)	(1 000 085)	(106 341 967)
Other comprehensive income	-	-	-	(87 403)	(87 403)	-	-	-	(87 403)	(97 583)	(184 986)
Total comprehensive income for the year	-	-	-	**(87 403)**	**(87 403)**	-	-	**(105 341 882)**	**(105 429 285)**	**(1 097 668)**	**(106 526 953)**
Transfer to retained losses	-	-	-	-	-	-	(105 341 882)	105 341 882	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-	-	-	(63 542)	(63 542)
Balance at 31 December 2022	**188 102 296**	**76 877 138**	**36 248 932**	**(59 769)**	**113 066 301**	**(2 556 743)**	**(380 056 866)**	**-**	**(81 445 012)**	**8 147 471**	**(73 297 541)**

The notes on pages 6 to 43 are an integral part of these consolidated financial statements.

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Consolidated statement of cash flows

(All amounts are in United States Dollar)

For the year ended December 31

	Note	2022	2021
Cash flows from operating activities:			
Net loss for the year after income tax		(106 341 967)	(79 120 130)
Adjustments :			
- Depreciation of PP&E	10	33 698 145	34 692 875
- Amortization of intangible assets	12	60 484	42 447
- Provisions and impairments on PP&E	23	-	8 574 390
- Finance costs		22 485 310	26 085 450
- Loss on sale of property, plant and equipment		2 737 710	-
- Income tax		2 278 526	1 710 544
		(45 081 792)	**(8 014 424)**
Changes in:			
- Inventories		(189 229)	1 333 116
- Amounts due from customers & trade and other receivables		(1 091 119)	16 488 728
- Due from related parties		53 972	821 539
- Trade and notes payable		14 639 961	8 882 099
- Creditors & other credit balances		(12 695 640)	(2 632 714)
- Due to related parties		5 965 376	4 104 494
- Provisions		36 539 027	7 068 585
Cash (used in) / generated from operating activities		**(1 859 444)**	**28 051 423**
- Interest paid		(9 159 550)	(12 251 707)
- Income tax paid		(7 102 022)	(300 908)
Net cash (used in) / from operating activities		**(18 121 016)**	**15 498 808**
Cash flows from investing activities:			
Payments for purchase of PP&E and projects under construction		(9 426 901)	(7 918 416)
Proceeds from sale of PP&E		6 667 389	-
Proceeds from sale of investments in subsidiaries		-	3 346
Payments for purchase of intangible assets		(529 844)	-
Net cash used in investing activities		**(3 289 356)**	**(7 915 070)**
Cash flows from financing activities:			
Proceeds / (payments) for loans		26 769 610	(8 096 448)
Payments for bank credit facilities- current portion		(397 245)	(326 659)
Dividends paid to shareholders		(63 542)	(219 127)
Payments of finance lease liabilities		-	(1 236 273)
Net cash from / used in financing activities		**26 308 823**	**(9 878 507)**
Net increase / (decrease) in cash and cash equivalent during the year		4 898 451	(2 294 769)
Foreign exchange translation differences		(184 986)	159 036
Cash and cash equivalents at January 1,	17	5 782 632	7 918 365
Cash and cash equivalents at December 31,	17	**10 496 097**	**5 782 632**

The notes on pages 6 to 43 are an integral part of these consolidated financial statements.

1. Reporting entity

Maridive and Oil Services S.A.E. "MOS" was incorporated in accordance with the prevailing laws and regulations of the Arab Republic of Egypt pursuant to the framework of the provisions of the Arab and Foreign Investment and Free Zones Law No. 43 of 1974 which was replaced by the Investment Law No. 230 of 1989 and subsequently replaced by the Investment Guarantees and Incentives Law No. 8 of 1997 and replaced by law No. 72 of 2017 which replaced by Law No. 72 of 2017, The Ministerial Decree of the incorporation of the Company and its articles of incorporation were published in the Egyptian Gazette issue No. 29 dated February 2, 1978

The Company was registered in the Commercial Register on March 19, 1978, under number 19564.

The license for the company's activity was extended for another 5 years starting 20 July 2017 according to the decree No. 27 for year 2017 from General Authority for Investment & Free Zone dated 21 August 2017.

The company's main address is Plot No. 13, Row F, General Free Zone Port Said – Arab Republic of Egypt.

In 1993, the Company established a branch in Abu Dhabi in the United Arab Emirates, which was registered in the Arab Emirates commercial register under No. 25391 dated June 26, 1993.

The Company's purpose

A) Carrying out all marine works in the free zones throughout the Arab Republic of Egypt, including services, maintenance, installations, construction, and salvage, whether under or outside the water's surface.
B) Works related to industrial services in the territorial waters of marine and ground facilities such as cleaning, maintenance, construction, installation, transport, catering and supply of all necessary equipment and related spare parts.
C) Owning and renting boats, locomotives, marine winches, catering and shipping vessels and all marine equipment.
D) The company may have an interest or participate in any way with individuals and companies that conduct business similar to its business or that may assist it in achieving its purpose. Any of the activities within its purposes, all with the approval of the General Authority for Investment and Free Zones.

2. Basis of preparation

2-1 Statement of compliance

The consolidated financial statements for the year ended December 31, 2022 have been prepared in accordance with the Egyptian Accounting Standards ("EAS"), and in the light of the prevailing Egyptian laws and regulations.

They were authorized for issue by the Company's board of directors on 14 May 2023 .

3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet.

3-1 Functional and presentation currency

These financial statements are presented in United States Dollar, which is the Company's functional currency.

3-2 Use of judgments and estimates

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note (23-1) : Provisions

Note (23-2) : Impairment of assets

3-3 Measurement of fair values

The fair value of financial instruments is determined on the basis of the market value of the financial instrument or similar instruments at the balance sheet date without discounting any estimated future selling costs. Financial asset values are determined at the current purchase prices of those assets, while the value of financial liabilities is determined at the current rates at which such liabilities can be settled.

In the absence of an active market to determine the fair value of financial instruments, fair value is estimated using the various valuation techniques, taking into consideration recent transaction prices, and guidance on the current fair value of other instruments that are substantially the same - discounted cash flow method or other valuation method Results in reliable values.

When discounted cash flow method is used as an assessment method, future cash flows are estimated based on best management estimates. The used discount rate is determined in light of the prevailing market price at the date of the financial statements of similar financial instruments in terms of their nature and terms.

3-4 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of Maridive and oil Services Company (the parent company) and its subsidiaries that the Group controls over the investee when it is exposed or entitled to variable returns through its participation and ability to affect returns through its power over the investee., The future voting rights in the ability to control and control are also taken into consideration. A subsidiary is not consolidated in the consolidated financial statements when the parent company loses its power to control the financial or operating policies of the investee company.

(All amounts are in United States Dollar otherwise stated)

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions 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 as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests
Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Group companies
Maridive and oil Services Company directly owns the following subsidiaries:

Name of subsidiary	Relationship	Ownership interest on December 31, 2022
Valentine Maritime Ltd	Subsidiary	100 %
Maritide offshore oil services	Subsidiary	99.46 %
Maridive offshore projects	Subsidiary	99.98 %
Ocean Marine	Subsidiary	75 %

The consolidated financial statements of Maridive and oil services Company, (the parent company) and its following subsidiaries:

- Valentine Maritime Limited and its subsidiaries.
- Maritide offshore oil services (Egyptian joint stock company) and its subsidiaries.
- Maridive offshore projects (Egyptian joint stock company).
- Ocean Marine (Free zone company).

A- The companies consolidated in the financial statements of Maridive and oil services
In accordance with the Egyptian Accounting Standards (EAS) and the prevailing laws and regulations, MOS presents statutory consolidated financial statements, which incorporates the financial statements of the following companies:

- Maridive and Oil Services S.A.E. "MOS", the parent company of the Group.
- Valentine Maritime Ltd "Valentine", which was incorporated on June 15, 1990 in the Republic of Liberia pursuant to the Liberian Business Corporation Act of 1997. Maridive and Oil Services S.A.E. have acquired 100% of the issued capital of the Company in 1996 and are able to govern Valentine Maritime Ltd financial and operating policies to obtain the benefits of its activities. Valentine Maritime Ltd has the following subsidiaries consolidated under its control:

- Valentine Maritime Gulf (LLC), which was incorporated in the United Arab Emirates. Valentine Maritime Ltd owns 49% of its shares and is considered its major shareholder. Valentine Maritime Ltd has control over Valentine Maritime (Gulf) LLC financial and operating policies in accordance with the management agreement dated March 13, 1996.

- Valentine Maritime Mauritius Ltd, which was incorporated in the Republic of Mauritius and is a wholly owned subsidiary of Valentine Maritime Ltd.
- Valentine Maritime – Kingdom Saudi Arabia, which was incorporated in the Kingdom Saudi Arabia Valentine Maritime Ltd owns 60% of its shares.
- Valentine Maritime – Gulf Industries (LLC), The Company was incorporated in the United Arab Emirates. Valentine Maritime limited owns 49% of Valentine Maritime – gulf and control its financial and operating policies.
- Valentine Maritime (Gulf) PTE Ltd is a limited liability company incorporated in Republic of Singapore VMGL holds 100% of the ownership interest in the Company.
- Valentine Marine Services Ltd ("VMS"), is limited liability Company incorporated in the Republic of Liberia on 30 December 2016. The Board of Directors of Valentine Maritime Ltd (parent company) has decided to establish VMS to split off the company's activities to the constructing activity and marine units' activity.

- Maritide Offshore Oil Services S.A.E. "Maritide" is an Egyptian joint stock Company initially incorporated according to the agreement made in 1988 between Maridive and Oil Services (S.A.E.) and Zapata Gulf Marine Operators under the name of MZ – Offshore Oil Services S.A.E.

  Maritide was incorporated in accordance with the provisions of the Arab and Foreign Investment Law and Free Zones Law No. 43 of 1974, which was replaced by the Investment Law No. 230 of 1989 and subsequently replaced by the Investment Guarantees and Incentives Law No. 8 of 1997 which replaced by the law no.72 of 2017.

  On March 31, 1994, the name of the Company was changed to Maritide Offshore Oil Services S.A.E- . Free Zone according to the ministerial decree No. 87 of 1994. The decree was published in the Egyptian Gazette issue No. 70 dated March 27, 1994.

- Maridive and Oil Services S.A.E. has acquired 99.46% of the issued capital of Maritide Offshore Oil Services S.A.E. on three stages in 1999, 2001 and 2002, to be able to govern its financial and operating policies, Maritide offshore oil services control the following subsidiaries:

* Maritide Nigeria: On 7 April 2014 Maritide Nigeria was established with capital of 25 000 000 Nira Nigeria equivalent to USD 154 180 for 25 000 shares par value 1000 Nira Nigeria equivalent to USD 6.16 and the company owns 99.2% of the Maritide Nigeria capital for 24 800 shares for 24 800 000 Nira Nigeria equivalent for USD 152 947.
* Maridive Tunisia: Based on the board of directors' decision dated 17/11/2015 approval was made for investments in capital of Maridive Tunisia limited liability company for 490 000 Dinar Tunisia equivalent to USD 245 000 representing 49% of the company's capital.

Maridive Offshore Projects S.A.E. is an Egyptian Joint stock Company that was incorporated under the provisions of Investment Law No. 230 of 1989, which was replaced by the Investment's Guarantees and Incentives Law No. 8 of 1997 which replaced by the law no.72 of 2017.

The ministerial decree for the incorporation of company and its articles of association were published in the Egyptian Gazette issue number 245 dated October 31, 1993. MOP was registered in the commercial register under number 29875 – Port Said on October 27, 1993.

On April 9, 2008 Maridive and Oil Services S.A.E. has acquired 100% of Maridive Offshore Projects S.A.E through a shares swap agreement, of the shares of the increase in MOS share capital by MOP shares, with a rate of 32.27 share. Accordingly, Maridive Offshore Projects S.A.E. became a subsidiary of Maridive and Oil Services S.A.E.

- Ocean Marine Co. (FZC). Was established in the U.A.E & it is a subsidiary owned fully by Valentine Maritime Ltd, dated August 1, 2013 the company ownership was restructured through the acquisition by Maridive & Oil services and Maritide Offshore Oil Services of 75% of the capital according to book value and no gains or losses were realized from the restructuring of the Co, .Maridive & Oil services have acquired 75% of the company's capital at 31 December 2019.

B- The Group's purpose

- Maridive and Oil Services S.A.E. is to provide in the free zone of the Arab Republic of Egypt all marine services, including the supply of services, maintenance, construction, establishment, and rescue operations whether under or above the level of the sea and all works related to manufacturing services for marine and land establishments including cleaning, maintenance, construction, transportation supplies and all related equipment and spare parts required for those services.
- Valentine Maritime Ltd. is to conduct commercial activities and maritime services. The Company conducts work in different parts of the world out of a principal base in Abu Dhabi - United Arab Emirates.
- Maritide Offshore Oil Services S.A.E. is to provide technical services to oil and gas companies and other companies specializing in this field including the supplies, tugging, anchor handling, firefighting, pollution treatment and support to diving operations as well as assistance work required for offshore field operations in the areas of oil and gas companies' concessions, and also to own marine units recently built.

- Maridive Offshore Projects S.A.E. is: Performing the technical offshore marine service in the Public Free Zone Area in Port Said (Egypt), except for consultation services, as general according to the following:
  The specialized technical offshore marine services whether above or under the level of the sea water or onshore in the field of offshore oil projects and all other offshore activities and its related engineering and construction works such as diving, salvage and all kinds of maintenance work, maintenance of platforms, wells, marine units, metals treating and coating. Offshore survey, marine and soil research work.
  Cables and pipelines laying under water or onshore, ports & lights offshore services in and out the Egyptian territorial waters in order to perform such activities, the company could own and lease specialized marine vessels, machines, equipment, boats, tags, elevators and any assets that may assist in achieving the Company's purposes.

- Ocean Marine Co. (FZC). The purpose of the company is represented in owing Marine Units & renting Marine Units in addition to marketing Marine projects.

4. Operating segment report

The Group has operating segments, which represent segments for which financial reports are submitted to top management, and these reports present different products and services, and are managed separately because they require different technological and marketing strategies.

(All amounts are in United States Dollar otherwise stated)

A- Gross revenues

	2022	2021
Marine units' rental income	46 900 163	67 815 820
Revenues from projects	55 542 671	48 016 192
	102 442 834	**115 832 012**

B- Reconciliation of operating segment information with the financial statements in accordance with Egyptian Accounting Standards

Revenues

	2022	2021
Total marine units' rental	62 828 513	73 086 931
Less: rental income from marine units between group companies	(15 928 350)	(5 271 111)
	46 900 163	**67 815 820**
Total revenue from projects	70 852 994	56 972 784
Less: revenue from projects between group companies	(15 310 323)	(8 956 592)
	55 542 671	**48 016 192**
Total segments revenue	**102 442 834**	**115 832 012**

Costs

	2022	2021
Total cost of marine units' rental	29 023 813	79 001 474
Less: rental income from marine units between group companies	(1 687 004)	(3 699 434)
	27 336 809	**75 302 040**
Total projects cost	75 182 791	67 614 172
Less: cost from projects between group companies	(30 238 673)	(11 215 273)
	44 944 118	**56 398 899**
Total segments cost	**72 280 927**	**131 700 939**

(All amounts are in United States Dollar otherwise stated)

Operation results

	2022	2021
Total operating revenue	102 442 834	115 832 012
Total operating cost	(72 280 927)	(131 700 939)
Segment result	**30 161 907**	**(15 868 927)**
Other income	12 632 748	4 065 761
Administrative expense	(25 486 120)	(21 836 315)
Other expense	(108 100 967)	(19 653 129)
Net finance cost	(13 271 009)	(24 116 976)
Net loss for the year before income tax	**(104 063 441)**	**(77 409 586)**
Income tax for the year	(2 278 526)	(1 710 544)
Net loss for the year	**(106 341 967)**	**(79 120 130)**
Distributed as follows:		
Parent company shareholders	(105 341 882)	(78 421 404)
Non-controlling interests	(1 000 085)	(698 726)
	(106 341 967)	**(79 120 130)**

5. Administrative expenses

	2022	2021
Salaries & wages	9 311 635	12 759 978
Utilities, fees &insurance	2 128 896	4 192 871
Amortization of intangible assets Note no. (12)	16 312	20 713
Depreciation of PP&E Note no. (10)	1 089 260	1 292 258
Others	12 940 017	3 570 495
	25 486 120	**21 836 315**

6. Other expenses

	Note	2022	2021
Provisions	24-1	60 200 500	7 794 787
Impairment on trade receivables	24-2	21 602 032	2 008 382
Impairment on PP&E	24-2	-	5 702 048
Impairment on other debit balances	24-2	3 461 627	440 645
Impairment on related parties	24-2	-	834 925
Impairment on PUC	24-2	-	2 872 342
Loss on sale of PP&E		2 737 710	-
Consumables, fees and insurance expenses		12 770 985	-
Depreciation of PP&E		3 245 413	-
Others		20 099 098	-
		108 100 967	**19 653 129**

(All amounts are in United States Dollar otherwise stated)

7. Other income

	2022	2021
Claims from marine units' insurance	-	3 500 000
Scrap sales	12 632 748	565 761
	12 632 748	**4 065 761**

8. Net finance (cost) / income

	2022	2021
Credit interest	725 650	129 856
Finance income	**725 650**	**129 856**
Loan's interest	(22 485 310)	(23 835 284)
Finance cost	**(22 485 310)**	**(23 835 284)**
Foreign exchange translation difference	8 488 651	(411 548)
Gain / (Loss) on foreign exchange translation difference	**8 488 651**	**(411 548)**
Net finance cost	**(13 271 009)**	**(24 116 976)**

9. Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

	2022	2021
Net loss for the year (USD)	(105 341 882)	(78 421 404)
Number of outstanding shares during the year (share)	410 597 081	410 597 081
Basic &diluted loss per share for the year (USD/share)	**(0.26)**	**(0.19)**

(All amounts are in US dollars unless otherwise stated)

10. Property, plant and equipment

	Buildings and decorations	Right of use	Land	Marine units	Marine refurbishments	Diving equipment	Tools & equipment	Means of transportation	Furnitures & Fixtures	Total
Cost at January 1, 2021	99 180 532	10 344 230	270 134	871 271 597	47 674 075	21 206 085	80 337 118	1 387 495	8 727 811	1 140 399 077
Additions during the year	-	-	-	209 626	3 554 737	32 296	319 106	-	62 522	4 178 287
Cost at December 31, 2021	99 180 532	10 344 230	270 134	871 481 223	51 228 812	21 238 381	80 656 224	1 387 495	8 790 333	1 144 577 364
Cost at January 1, 2022	99 180 532	10 344 230	270 134	871 481 223	51 228 812	21 238 381	80 656 224	1 387 495	8 790 333	1 144 577 364
Additions during the year	-	-	-	5 200 000	4 006 690	621 463	63 035	-	17 181	9 908 369
Disposals during the year	-	-	-	(35 383 555)	(2 351 700)	-	(3 394 797)	-	(221 892)	(41 351 944)
Cost at December 31, 2022	99 180 532	10 344 230	270 134	841 297 668	52 883 802	21 859 844	77 324 462	1 387 495	8 585 622	1 113 133 789
Accumulated depreciation and impairments at January 1, 2021	28 133 044	468 418	-	255 520 682	35 292 308	15 119 095	68 128 617	1 383 754	8 153 997	412 199 915
Impairment losses for the previous years - note (32)	-	-	-	143 960 819	-	-	-	-	-	143 960 819
Accumulated depreciation and impairments at December 31, 2021	28 133 044	468 418	-	399 481 501	35 292 308	15 119 095	68 128 617	1 383 754	8 153 997	556 160 734
Depreciation for the year*	3 718 491	468 418	-	19 791 468	5 566 303	1 084 263	3 839 767	3 001	221 164	34 692 875
Impairment losses for the year	-	-	-	5 462 764	239 284	-	-	-	-	5 702 048
Accumulated depreciation and impairments at December 31, 2021	31 851 535	936 836	-	424 735 733	41 097 895	16 203 358	71 968 384	1 386 755	8 375 161	596 555 657
Accumulated depreciation and impairments at January 1, 2022	31 851 535	936 836	-	424 735 733	41 097 895	16 203 358	71 968 384	1 386 755	8 375 161	596 555 657
Depreciation for the year*	3 690 562	468 418	-	21 015 778	3 825 517	976 854	3 560 878	740	159 398	33 698 145
Impairment losses for the year	-	-	-	(27 459 585)	(2 112 416)	-	(3 038 095)	-	(221 892)	(32 831 988)
Accumulated depreciation and impairments at December 31, 2022	35 542 097	1 405 254	-	418 291 926	42 810 996	17 180 212	72 491 167	1 387 495	8 312 667	597 421 814
Net book value at December 31, 2022**	63 638 435	8 938 976	270 134	423 005 742	10 072 806	4 679 632	4 833 295	-	272 955	515 711 975
Net book value at December 31, 2021	67 328 997	9 407 394	270 134	446 745 490	10 130 917	5 035 023	8 687 840	740	415 172	548 021 707

*** The depreciation classificated on the statement of profit or loss as follows:**

	Note.	2022	2021
Operating cost	4	32 608 885	33 400 617
Administrative expenses	5	1 089 260	1 292 258
Total PP&E depreciation		33 698 145	34 692 875

(All amounts are in United States Dollar otherwise stated)

** The company has pledged some of its marine units as collateral for bank loans, which were used to finance the construction of new marine units, as follows:

Firstly: Pledging marine units no. (208 and 212) as collateral for the borrowings obtained from the Arab International Bank.
Secondly: Pledging marine units no. (42, 43, 229, 230, 231, 232, 510, 515, 518, 519, 520, 521, 522, 601, 602, 701, 702, 703, 704, 32, 35, 36 and MWM 601) as collateral for the borrowings obtained from Abu Dhabi Islamic bank.
Thirdly: Marine unit no. 4000 (National Bank of Egypt).
Fourthly: Pledging marine units Maridive Zohr -1, Maridive Zohr -2 as collateral for the borrowings obtained from European bank for development and re-construction.
Fifthly: Pledging marine unit (Harmoniadwa) according to the contract with Global company not financial lease.
Sixth: Some marine units of Valentine Co. & Ocean Marine Co. (subsidiaries) were provided as collaterals for Helal bank, Abu Dhabi Islamic bank, Arab African International bank- Dubai National Bank of Fujairah, Bank Misr and Corplease for finance leasing.

11. Projects under construction

	31 December 2022	31 December 2021
Advance payments for purchases of PP&E	7 249 567	6 845 892
	7 249 567	**6 845 892**

12. Intangible assets

	31 December 2022	31 December 2021
Cost at 1 January	1 069 511	1 069 511
Additions	529 844	-
Cost at the end of the year	**1 599 355**	**1 069 511**
Accumulated amortization at 1 January	(979 982)	(937 535)
Amortization of the year*	(60 484)	(42 447)
Accumulated amortization at the end the year	**(1 040 466)**	**(979 982)**
Carrying amounts at the end the year	**558 889**	**89 529**

*The depreciation for the year has been charged to the profit and loss statement using the same basis of calculation used during the previous years. .

13. Goodwill

	31 December 2022	31 December 2021
Valentine Maritime Ltd	4 709 384	4 709 384
Maritide offshore oil services	5 131 275	5 131 275
	9 840 659	**9 840 659**
Less:		
Impairment on goodwill	(4 709 384)	(4 709 384)
	5 131 275	**5 131 275**

(All amounts are in United States Dollar otherwise stated)

14. Trade receivables

	Note	31 December 2022	31 December 2021
Trade receivables		125 574 247	111 293 730
Less:			
Impairment on trade receivables	24 - 2	(71 746 812)	(62 803 648)
		53 827 435	**48 490 082**

15. Amounts due from customers

	Note	31 December 2022	31 December 2021
Amounts due from customers		14 796 693	16 886 030
Less:			
Impairment on amounts due from customers	24 - 2	(5 100 000)	(5 100 000)
		9 696 693	**11 786 030**

16. Debtors and other debit balances

	Note	31 December 2022	31 December 2021
Accrued revenues*		15 800 230	8 595 750
Suppliers advance payments		3 524 960	7 702 492
Letter of guarantees (Covered Parts)		8 757 756	4 896 791
Employee loans & custodies		1 725 320	1 701 241
Prepaid expenses		820 536	1 152 158
Deposits with others		537 858	536 315
Insurance claims		82 844	145 109
Others debit balances		25 144 523	17 991 079
Less:			
Impairment on debtors and other debit balances	24 - 2	(22 682 826)	(6 852 837)
		33 711 201	**35 868 098**

.*Accrued revenue represents the value of services rendered to customers but not billed until December 31, 2022

17. Cash & cash equivalent

	31 December 2022	31 December 2021
Current bank accounts	10 324 125	5 491 901
Time deposits	162 701	274 528
Cash on hand	9 271	16 203
Cash and cash equivalent in cash flows statement	**10 496 097**	**5 782 632**

18. Inventories

	31 December 2022	31 December 2021
Spare parts and consumables	15 119 918	15 599 131
Marine units fuel	1 980 435	1 311 993
	17 100 353	**16 911 124**

(All amounts are in United States Dollar otherwise stated)

19. Financing lease

According to the requirements of the Egyptian Accounting Standards no. (49) for 2019 related to lease contracts, the application for standard no. (49) is the beginning of the annual report at which the law for finance leasing no. 95 for 1995 was cancelled and the issue of law organizing financial leasing and discounting no. 176 for 2018. For lease contracts which were liable to law no. 95 for 1995 and were treated according to the Egyptian Accounting Standard no. (20) during 2019, the result from such change was as follows:

Lands (cost)	2 400 992
Buildings (cost)	8 693 648
Amortization of ROU	10 344 230
Equipment's (cost)	4 485 732
Accumulated depreciation	5 193 611
Lease liabilities	11 424 285
Prepaid expenses	4 877 639
Accrued revenue	6 723 250
Loss of impairment on PP&E	5 221 354
Adjustments to retained earnings	2 584 822

19-1 Lease liabilities

	31 December 2022	31 December 2021
Lease liability- current portion (shown in credit & other credit balances) - note (23)	3 944 451	2 663 131
Lease liability -non-current portion	11 088 291	15 320 383
	15 032 742	**17 983 514**

The payment of lease liability is as follow:

	31 December 2022	31 December 2021
Less than one year	5 049 450	4 546 847
More than one year and less than two year	4 274 610	2 975 151
More than two year	16 196 339	20 632 243
Total lease liabilities	**25 520 399**	**28 154 241**
Less: deferred interest expenses	(10 487 657)	(10 170 727)
Present value of lease obligation	**15 032 742**	**17 983 514**

20. Bank credit facilities

	31 December 2022	31 December 2021
Credit banks*	47 010 295	47 407 540
	47 010 295	**47 407 540**

*The credit facilities used by the Group are facilities used to finance working capital that available in different foreign currencies that granted to the group companies in Egypt and the United Arab Emirates with a joint guarantee of the group companies and pledge some marine units and interest rates range from 1.5%: 4.25% in addition to the labor rate.

(All amounts are in US dollars unless otherwise stated)

21- Long term loans

The long term loans as of December 31, 2022, amounted by USD 378 595 486 are represented in the loans granted to the group by Abu Dhabi Islamic Bank - UAE (co-financing), National Bank of Fujairah, HSBC Bank, European Bank for Reconstruction and Development and Commercial Bank Wafa, these company has pledged some of its marine units as collateral for bank loans, which were used to finance the construction of new marine units, as follows.

The following is a statement of loan balances, principal and payment terms:

		Granted Company	Principle loans	Installment of short term loans	Installment of long term loans	31/12/2022	31/12/2021
1-	Fajera national bank	Valentine	59 000 000	7 310 008	13 810 973	21 120 981	21 120 981
2-	Abu Dhabi Islamic Bank	Valentine	75 000 000	20 000 000	21 000 000	41 000 000	41 000 000
3-	Ajman Bank	Valentine	5 460 000	447 063	-	447 063	447 063
4-	Abu Dhabi Islamic Bank	Valentine	40 000 000	9 502 108	5 647 892	15 150 000	15 150 000
5-	Arab African International Bank	Valentine	40 000 000	14 285 712	-	14 285 712	14 285 712
6-	Misr Bank	Valentine	15 400 000	5 078 625	2 500 000	7 578 625	7 578 625
	Other	Valentine	-	3 330 226	3 191 137	6 521 363	3 012 420
7-	HSBC - Egypt	Maridive	19 000 000	702 257	-	702 257	702 258
8-	Abu Dhabi Islamic Bank - UAE	Maridive	250 000 000	1 754 600	190 406 580	192 161 180	170 995 277
9-	European Bank for Development and Re-construction	Maridive	50 000 000	3 487 396	26 963 598	30 450 994	27 202 011
10-	Altajari Wafaa Bank (Barclays)	Maridive	3 500 000	461 487	1 982 535	2 444 022	2 629 622
11-	Abu Dhabi Commercial Bank	Ocean Marine	80 610 625	5 850 000	45 522 789	51 372 789	51 372 789
12-	Arab International Bank	Maridive Offshore Projects	-	-	78 348	78 348	1 723 658
	Other	Maridive Tunis	-	167 403	469 768	637 171	843 457
	Total loans			**72 376 885**	**311 573 620**	**383 950 505**	**358 063 873**
	Less:						
	Loan acquiring costs			(1 565 690)	(3 789 329)	(5 355 019)	(6 237 997)
				70 811 195	**307 784 291**	**378 595 486**	**351 825 876**

1. National Bank of Fujairah - 'Valentine' Company
In October 2012, Valentin signed a loan contract with the National Bank of Fujairah in the amount of USD 20.90 million and the loan was increased to USD 34.59 million; the loan was obtained to finance the development of land in Abu Dhabi Industrial City (ICAD) and the purchase of machinery and equipment.
The loan is to be repaid in 51 equal quarterly installments of USD 1 220 828 each and the last installment is in the amount by USD 13 836 049 to end in September 2022.

2. Abu Dhabi Islamic Bank - 'Valentine' Company
In March 2013, the company "Valentine" signed a loan contract with Abu Dhabi Islamic Bank (sale and leaseback of a marine unit under construction) in the amount of 75 million US dollars to finance the purchase and modernization of a marine unit and restructure one of the company's loans amounting to USD 43 million dollars. The legal form of this loan is a conventional Islamic lease. This Islamic loan was treated as a bank loan and some of the company's assets were mortgaged in favor of this bank to reflect the essence of this contract within the consolidated financial statements.

3. Ajman Bank - 'Valentine' Company
In June 2013, the company 'Valentine' signed a loan contract with Ajman Bank (by Mudaraba system) to finance the working capital needs of the group in the amount of USD 5.46 million, the final repayment of the loan is due 180 days from the date of withdrawal.

4. Abu Dhabi Islamic Bank - 'Valentine' Company
In September 2014, Valentine signed a loan contract with Abu Dhabi Islamic Bank (sale and leaseback system) in the amount of USD 40 million to finance the third phase of the MNHRD Pipeline Project. The loan is repaid in March 28, 2023 The legal form of this loan is a conventional Islamic lease. This Islamic loan was treated as a bank loan and some of the company's assets were mortgaged in favor of this bank to reflect the essence of this contract within the consolidated financial statements.

5. Arab African Bank - 'Valentine' Company
In September 2014, Valentine signed a loan contract with the Arab African Bank in the amount to USD 40 million to pay the value of the financial lease owed to Maridive Offshore Projects and the rehabilitation of marine units. The loan is repaid in 28 equal installments, amounting to USD 2.86 million. Quarterly with a grace period of 12 months from the date of signing the contract.

6. Banque Misr - 'Valentine' Company
During 2016, Valentine signed a credit facility contract amounting to USD 15.4 million to finance the modernization of marine units. The loan is repaid in 21 equal quarterly installments amounting to USD 333 733 starting from November 2017.

7. HSBC Bank Egypt - Maridive Company
The company has entered into a financing contract with HSBC Bank, a medium-term loan of USD 19 million. This loan is subject to a financing return calculated based on the LIBOR rate every three months, in addition to a margin of 4.5% annually, and the loan is repaid in 28 monthly installments.

8. Abu Dhabi Islamic Bank - UAE - "Maridive Company"

On January 15, 2016, the company's board of directors agreed to conclude an Islamic facility contract with Abu Dhabi Islamic Bank - UAE - with a maximum amount of USD 225 million (two hundred twenty-five million US dollars) to restructure the existing facilities and finance the purchase of new marine units in addition to the amount of USD 25 million (twenty-five million US dollars) to finance the working capital of the company, including all interests, commissions, expenses, costs and any other amounts due to lenders in accordance with the aforementioned credit facility contract between the company and both Abu Dhabi Islamic Bank (UAE) and a group of other banks and financial institutions And the conclusion of documents to ensure the implementation of the company's obligations under the Islamic facility contract according to the following:

a. The interest rate is 4.5% in addition to the LIBOR rate (three months), which is the same as the current interest rate.
b. Pay off 80% of the loan amount over seven years and pay the remaining 20% as a single payment at the end of the loan term.
c. Any payments from the company's cash surplus over the term of the loan are deducted from the above-mentioned 45%.
d. The loan contract includes some financial commitments that the company must abide by as follows:
1. The debt service coverage ratio shall not be less than 1.2:1
2. The interest coverage ratio shall not be less than 2.5:1
3. The net leverage ratio shall not be more than 6:1
4. The debt-to-equity ratio shall not be more than 1.5:1

- On January 31, 2022, the company addressed the group of joint banks with the amended financial studies to restructure the current facilities in line with the company's current situation, and the studies are still within the scope of review by the joint banks and their financial analysts.

9. European Bank for Reconstruction and Development - "The Maridive Corporation"

On April 13, 2017, a loan contract was signed with the European Bank for Reconstruction and Development in the amount of USD 50 million in 3 tranches as follows:
e. The first tranche in the amount of USD 25 million to complement the uncompleted portion of the syndicated loan previously arranged by a bank
Abu Dhabi Islamic This segment is concerned with financing the company's expansion plan to purchase new marine units.
f. The second tranche in the amount to USD 15 million is to repay part of Abu Dhabi Islamic Bank's share of the syndicated loan.
g. The third tranche in the amount to USD 10 million to finance the working capital of the company.

The loan contract includes some financial commitments that the company must abide by as follows:

1. The debt service coverage ratio shall not be less than 1.2:1
2. The interest coverage ratio shall not be less than 2.5:1
3. The net leverage ratio shall not be more than 6:1
4. The debt-to-equity ratio shall not be more than 1.5:1

(All amounts are in United States Dollar otherwise stated)

10. Attijari wafa bank (formerly Barclays) - "The Maridive Company"
A medium-term loan of USD 3.5 million to finance working capital requirements at an annual interest rate of 3% above the LIBOR rate in 3 months and a commission on the highest debit balance of 0.05% per month, to be paid in 25 monthly installments.

Classification of loans from Abu Dhabi Islamic Bank - UAE and the European Bank for Reconstruction and Development.
The loans of Abu Dhabi Islamic Bank - UAE and the European Bank for Reconstruction have been classified into short-term loan installments and long-term loan installments, as the company's management believes that the effects of the spread of the new Corona virus and the precautionary measures that affected the global economy as well as the company and based on the books issued by the Central Bank of Egypt to confront Corona virus, which includes the postponement of all credit dues with no additional returns or late fines for non-payment Any formal request from the lending banks to repay the entire debt until the date of approving the financial statements, as well as the procedures being taken by the company to reschedule those credit dues.

11. Abu Dhabi Commercial Bank - Ocean Marine Company
In December 2013, Ocean Marine Company signed a loan contract with Abu Dhabi Commercial Bank (formerly Al Hilal) on an Islamic loan amounting to USD 38.72 million to finance the purchase of 90% of the value of three marine units. The loan is repaid in 32 equal quarterly installments, starting after 9 months from the date of withdrawal, and the last installment will be paid on December 31, 2022. The legal form of this loan is a traditional Islamic lease (sale with leaseback system for a number of marine units) and this loan has been processed The Islamic Bank loan to reflect the essence of this contract and the company did not obtain withdrawals during the year.
The loan of the Ocean Marine Company is granted with the guarantee of the marine units and the guarantee of the Valentin Company and the Maridive Company.

12. Arab International Bank - Maridive Offshore Projects
The short-term facilities granted to Maridive Offshore Projects by Arab International Bank were restructured in
July 2, 2019 at 6.5% annually above the LIBOR rate, and the interest applied to the facilities will be reduced by 4% instead of 6.5%

22. Creditors and other credit balances

	Note	31 December 2022	31 December 2021
Tax Authority – Payroll tax		2 012 554	13 049 662
Tax Authority – Withholding tax		181 680	2 175 152
Accrued expenses		73 562 903	59 444 525
Lease liabilities – Current portion	19-1	3 944 451	2 663 131
Income tax – Subsidiaries and foreign branches		2 236 205	7 059 701
Trade receivables - advance payments		28 192 087	24 684 096
Others credit balances		5 081 414	4 326 025
		115 211 294	**113 402 292**

(All amounts are in United States Dollar otherwise stated)

23. Provisions and impairments

23-1 Provisions

	Balance at 01/01/2022	Charged during the year	Used during the year	Balance at 31/12/2022
Provisions for claims*	13 474 138	40 200 500	(3 661 473)	50 013 165
	13 474 138	**40 200 500**	**(3 661 473)**	**50 013 165**

* The legal claims provisions are related to claims expected to be submitted by a third party in connection with the business operations. The information usually required by accounting standards is not disclosed because management believes that disclosing such information would seriously prejudice the outcome of the negotiation with that third party. These provisions are reviewed by management every year and adjustments to the amounts provided are based on the latest development, discussions and agreements with the third party.

23-2 Impairments on assets

	Balance at 01/01/2022	Charged during the year	Used during the year	Balance at 31/12/2022
Impairment on PP&E Note no. (32)	150 835 787	-	-	150 835 787
Impairment on trade receivables	62 803 648	8 949 491	(6 327)	71 746 812
Impairment on amounts due from customers	5 100 000	-	-	5 100 000
Impairment on PUC	2 872 342	-	-	2 872 342
Impairment on related parties	834 925	-	-	834 925
Impairment on debtors & other debit balances	6 852 837	17 929 442	(2 099 453)	22 682 826
	229 299 539	**26 878 933**	**(2 105 780)**	**254 072 692**

(All amounts are in US dollars unless otherwise stated)

24 - Transactions with related parties

Transactions with related parties represent transactions with group shareholders and companies in which the shareholders and /or the group directly and indirectly own shares that give them the right to control or exercise a strong influence on those companies and give them significant influence or control over them

The following is a statement of the value of the volume and nature of the transactions that took place with these parties during the financial year, as well as the balances related to them on the date of the financial position on December 31 and included in the non-current and current assets and current liabilities in the statement of financial position:

	Type of Relationship	Nature of Transactions	Volume of transactions during the year Debit	Credit	31/12/2022	31/12/2021
24 - 1 Due from related parties						
NAZCO	Affiliate	Operating revenue	477	54 449	84 030	138 002
Valentine Maritime - Qatar	Affiliate	Current	-	-	97 100	97 100
					181 130	**235 102**

24 - 2 Due to related parties	Type of Relationship	Nature of Transactions	Volume of transactions during the year Debit	Credit	31/12/2022	31/12/2021
National Transport and Overseas Services NOSCO	Affiliate	Current	6 345	6 743	9 506	9 108
Loan from Board of directors - Maridive	Board of directors	Current	4 663 325	10 820 133	19 479 090	13 322 282
Loan from Board of directors - Valentine	Board of directors	Current	-	-	10 046 265	10 046 265
Al Rawda for agriculture developments	Affiliate	Current	-	903	903	-
AL Bawardi Enterprises	Affiliate	Current	192 733	-	-	192 733
					29 535 764	**23 570 388**

(All amounts are in United States Dollar otherwise stated)

25. Capital

Authorized capital
The Company's authorized capital is determined to be one billion US dollar, according to Extraordinary General Assembly meeting held on September 16, 2019 has decided to increase the Company's authorized capital from USD 200 Million (two hundred million US dollar) to USD 1 Billion (one billion US dollar) and approved the increase in the commercial register on December 16, 2019 and published the changes in the articles in the Egyptian Gazette under no 57668 on December 25, 2019.

Issued and paid - up capital
The issued and paid-up capital USD 188 102 296 divided among 470 255 740 shares (Only Four Hundred Seventy Million Two Hundred Fifty-Five Thousand Seven Hundred Forty Dollars) with a par value of 40 cents each.

According to extraordinary general meeting held on September 16, 2019 approval was made for the increase in the company's issued capital from USD 16 3840 000 to USD 188 102 296 with an increase of USD 24 262 296 distributed over 60 655 740 shares for each share (USD 0.61) (Representing USD 0.40 par value and USD 0.21 for a premium totaling USD 12 737 704) representing 37 Million US Dollars. All increase was allocated to Mr. Negad Zaini without applying the rights of the existing shareholders. The company completed the legal procedures for such increase and recorded in the commercial register on December 16, 2019 under no 6501 and changes in the articles of incorporation were published in the Egyptian Gazette issue no 57668 on December 25, 2019. On December 26, 2019 approval was made by the committee for recording the financial investments in its meeting dated December 25, 2019 for the increase in issued and paid up capital.

26. Consolidation reserve

Reserve resulted from the compilation related to the acquisition of Maridive Offshore Projects

	31 December 2022	31 December 2021
Maridive Offshore Projects (S.A.E)	2 556 743	2 556 743
	2 556 743	**2 556 743**

On the 9th of April 2008, Maridive Oil and Services acquired Maridive Offshore Projects through Barter contract, the increase in capital shares of Maridive Oil and Services for all shares of Maridive Offshore Projects. Since Maridive Offshore Projects is owned and controlled by the main shareholders of the group before and after the barter exchange of shares mentioned above, therefore the group management considers the acquisition transaction as an acquisition of a controlled company and this control is permanent.

(All amounts are in United States Dollar otherwise stated)

27. Non-controlling interest

Non-controlling interest represents, 0.54% of Maritide Offshore Oil Services S.A.E, 51% of Maridive Tunisia, 0.02% of Maridive Offshore Projects and 25% of Ocean Marine, in addition to the non-controlling interest of Valentine Maritime Ltd.'s subsidiaries

	31 December 2022	31 December 2021
Non-controlling interest in Valentine Maritime Ltd	1 445 033	1 791 422
Non-controlling interest in Maritide Offshore Oil Services	33 898	34 327
Non-controlling interest in Maridive Tunisia	801 524	813 026
Non-controlling interest in Maridive Offshore Projects	12 893	8 202
Non-controlling interest in Ocean Marine Co	5 854 123	6 661 704
	8 147 471	**9 308 681**

28. Tax position

Corporate tax- Maridive

According to the company's tax card, the company is exempt from tax on the profits of legal persons in accordance with the provisions of the applicable tax and fee laws in the Arab Republic of Egypt, within the limits of the purpose mentioned in the tax card, bearing in mind that the license period is ten years from July 21, 2002 until July 20, 2012, and according to the letter received from the authority The General Investment and Free Zones Authority, dated July 17, 2012 and approved on July 16, 2012, which includes the extension of the license to practice the activity for a period of five years starting from July 20, 2012 to end on July 20, 2017.

The license to practice the activity was extended for a period of five years starting from July 20, 2017, in accordance with Resolution No. 27 of 2017 issued by the General Authority for Investment and Free Zones dated August 21, 2017. The license to practice the activity was extended for a period of one year starting from July 20, 2022, and ending on the 19th. July 2023, according to the decision of the Chairman of the General Authority for Investment and Free Zones on September 1, 2022.

Corporate tax - Valentine

Valentine Maritime Limited Company, Valentine Maritime Gulf Company and Ocean Marine Company are not subject to tax in the country of origin or country of residence. The head office of these companies is located in the Emirate of Abu Dhabi in the United Arab Emirates.

No tax is levied on net profit or revenue. Valentine Maritime Mauritius is subject to income tax in the State of Mauritius, and Valentine Maritime Saudi Arabia is taxed in accordance with the law of the Kingdom of Saudi Arabia. In general, Valentine Maritime Limited, Valentine Maritime Gulf and Ocean Marine are not subject to any tax. However, a tax is imposed on some projects that are implemented in some countries in light of the laws that govern the nature of these projects, and these taxes are considered part of the cost of the implemented projects.

Payroll taxes

Years until 2012

-The company settled with tax authority and paid the due taxes until 2012.

Years 2013 and 2014

- The years 2013 and 2014 have been settled and inspected.

(All amounts are in United States Dollar otherwise stated)

Years from 2015 to 2019

- The Tax Authority inspected the years from 2015 to 2019, as the company has paid the payroll tax deducted from employees since 2013, the inspection result for the years 2015 to 2019 was as follows:

1. Delay fines for payroll taxes for the years from 2015 to 2019: EGP 102 477 545

Thus, the total amount required to be paid by the company is EGP 102 477 545.

The company is currently scheduling the dues with the Tax Authority and periodically paid to the Tax Authority. The company has formed the required provision for these expected liabilities.

Years from 2021 to 2022

The tax authority did not inspect those years and therefore no claims were received for those years.

29. Tax position of income tax and withholding for the Maridive Offshore Projects branch in the Kingdom of Saudi Arabia

The company received the tax assessment from the General Authority for Zakat, Tax and Customs for both income tax and withholding tax for examining the years from 2015 to 2018 on November 3, 2020, with an additional tax due of 26 million Saudi riyals (equivalent to 9.5 million USD) and delay fines of 16 million riyals Saudi (equivalent to 4.3 million USD), and the regular procedures were taken to object and resolve the dispute between the Authority and the company. The dispute regarding withholding taxes was settled by agreement with the Internal Settlement Committee in the Authority, in return for paying an amount of 5.4 Saudi riyals (equivalent to 1.4 million USD) from the original assessment and exemption The company from delay fines according to the exemption initiative established by the Authority. As for the income tax dispute, for which the additional assessment is estimated at 15.9 Saudi riyals (equivalent to 4.2 million USD) and the estimated delay fines amounting to 9.1 Saudi riyals (equivalent to 2.4 million USD), the dispute procedures are still in circulation between the company and the Authority and are pending before the General Secretariat of Tax Committees. The final decision has not been made to date, and it is not possible to determine the result of the tax assessment amount at the present time, and no provision has been made to meet this obligation due to the company's view that the Authority is not entitled to these amounts.

30. Going concern

The company has achieved a net loss of USD 106.3 million for the year 2022, with a total carryover loss of USD 380.1 million at December 31, 2022, and thus it has exceeded half of the equity on that date, and current liabilities have exceeded current assets by an amount of USD 283.1 million. Circumstances indicate the existence of a significant uncertainty that may lead to material doubts about the company's ability to continue its activities. The company's consolidated financial statements have been prepared on the assumption that it will continue to practice its activity based on new contracts with clients, as well as on the purchase offer submitted to acquire one of its subsidiaries, which has achieved carry-over losses for several years, which will positively affect the results of the activity in the foreseeable future. Article No. 69 of the Companies Law No. 159 of 1981 and its executive regulations require that the extraordinary general assembly be convened to consider the continuity of the company.

31. Capital commitments & Contingent liabilities

	Total commitment 31/12/2022	Commitment performed 31/12/2022	Outstanding commitment 31/12/2022	Outstanding commitment 31/12/2021
Letters of guarantee	18 015 892	7 342 800	10 673 092	18 015 892
	18 015 892	**7 342 800**	**10 673 092**	**18 015 892**

(All amounts are in United States Dollar otherwise stated)

32. Adjustment on retained losses

The group obtained a study of the market value of the marine units for one of its subsidiaries (Valentine Maritime Limited) from an independent financial advisor, which is the Fenby Office for Financial and Economic Consulting. The study resulted in estimating the fair value of the offshore units at $96.7 million after deducting 10% for the liquidation of assets, which resulted in a impairment of $148.7 million. The balances on the statement of financial position can be explained as follows:

Description	1/1/2021	Adjustment	1/1/2021
	Before adjustment		After adjustment
Goodwill	9 840 659	(4 709 384)	5 131 275
PP&E	728 199 162	(143 960 819)	584 238 343
Retained losses	(480 076 432)	(148 202 235)	196 278 667
Impairment on PP&E	(6 874 968)	(143 960 819)	(150 835 787)
Non-controlling interest	10 611 687	(467 968)	10 143 719

The group estimated the impairment value of the marine units in the light of the requirements of Egyptian Accounting Standard No. (31) "impairment in the value of assets." The study resulted in impairment in the value of assets, and therefore the group dealt with that in accordance with Egyptian Accounting Standard No. (5) "changes in policies." and accounting estimates and fundamental errors" on carry-over losses due to the presence of impairment from previous years as it is a fundamental error.

33. Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:
Credit risk
Liquidity risk
Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies, procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's 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.

(All amounts are in United States Dollar otherwise stated)

Credit risk

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

The carrying amount of financial assets represents credit exposure. The exposure to credit risk at the end of the reporting period was as follows:

	Note	31 December 2022	31 December 2021
Trade receivables	21	53 827 435	48 490 082
Amounts due from customers		9 696 693	11 786 030
Debtors and other debit balances	23	29 365 705	27 013 448
Due from related parties	25-1	181 130	235 102
Cash at banks	18	10 486 826	5 766 429
		103 557 789	**93 291 091**

Trade and other receivables

Creditworthiness for Trade and other receivables based on a credit policy set by the Board of Directors Committee.

The company monitoring the credit risk of the customers by collecting debtors and other debit balance according to their classifications, credit position and the guarantees provided by him. And customer balances are more than 60 days, most of which represent the balances of government agencies.

Cash and cash equivalents

The Company held cash and cash equivalents of USD 10 486 826 on December 31, 2022 (December 31, 2021: USD 5 766 429), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have

Sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company 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 Company aims to maintain the level of its cash and cash equivalents and at an amount in excess of expected cash outflows on financial liabilities Except creditors for the period of time 60 days.

The Company also monitors the level of expected cash inflows on debtors and other debit balances together with expected cash outflows on creditors and others credit balances, at December 31, 2022,

(All amounts are in United States Dollar otherwise stated)

The maturity dates of financial obligations according to the expected repayment schedules are as follows:

31 December 2022	Book value	12 months or less	1-2 Years	2-5 Years
Bank - credit facilities	47 010 295	47 010 295	-	-
Loans	378 595 486	70 811 195	307 784 291	-
Suppliers, notes payable &other credit balances	178 582 617	178 582 617	-	-
Lease liabilities	15 032 742	3 944 451	11 088 291	-
Due to related parties	29 535 764	29 535 764	-	-
	648 756 904	**329 884 322**	**318 872 582**	**-**

31 December 2021	Book value	12 months or less	1-2 Years	2-5 Years
Bank - credit facilities	47 407 540	47 407 540	-	-
Loans	351 825 876	103 915 792	247 910 084	-
Suppliers, notes payable &other credit balances	169 586 096	169 586 096	-	-
Lease liabilities	15 320 383	-	1 930 770	13 389 613
Due to related parties	23 570 388	23 570 388	-	-
	607 710 283	**344 479 816**	**249 840 854**	**13 389 613**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company'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 acceptable parameters while optimizing the return. The company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by B.O.D committee.

Interest rate risk

Interest rate risk is represented in fluctuation of interest rates on the facilities granted to the company by the banks. This risk is covered through getting the best available interest rate in the market on the credit facilities as well as determining fixed interest rate on the loans.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to shareholders. There were no changes in the company's approach to capital management during the year.

Currency risk

The company is exposed to currency risk on sales and financial assets that are denominated in a foreign currency. The currency in which these transactions are primarily denominated is the US Dollars and Euro.

In respect of monetary assets and liabilities denominated in other foreign currencies, the company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

34. Comparative figures

Certain comparative figures have been reclassified to conform with the current year classification.

35. Cash flows

The significant non-cash transactions have been eliminated in preparing the statement of cash flows as these transactions do not generate cash flows.

36. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these separate financial statements.

36.1 Foreign currency

Foreign currency transactions

The group companies use the US dollar as the currency of dealing and the presentation currency where the revenues of the group companies are invoiced in US dollars.
Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.
Foreign currency differences arising on retranslation are generally recognized in profit or loss.

36.2 Financial instruments

Non-derivative financial assets

The initial recognition of loans, receivables and deposits on the date of their inception. All other financial assets (including assets at fair value through profit or loss) are recognized first on the date of the transaction, at which time the Company is a party to the contractual provisions of the instrument.

The company excludes the financial asset when its contractual rights to the cash flows of this asset expire, or it transfers the right to receive the contracted cash flows of this asset in a transaction through which all the risks and returns of ownership of this financial asset are transferred. Any interest in such a transferred financial asset that may arise or be retained by the Company is recognized as an asset or a liability separately.

Financial assets and liabilities are set off and the net value is shown in the financial position only when the company has the legal right to make this set-off and the intention to settle on the basis of net value or to realize the financial asset and terminate the financial obligation at the same time. The company classifies non-derivative financial assets into the following items: loans and debts.

Loans and debts

Loans and receivables are financial assets with a fixed or determinable repayment date that are not traded in an active market. These assets are initially recognized at fair value, plus transaction costs directly attributable to them. After initial recognition, loans are measured at amortized cost using the effective interest method, and impairment losses are discounted.

In general, receivables and other short-term debit balances without a stated interest rate are measured at their face value (the invoice value) and any provision for doubtful debts is deducted.

It includes loans and receivables, cash and cash equivalents, customers, receivables and other debit balances.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and time deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Non-derivative financial obligations

The first financial obligations issued for indebtedness and subordinated obligations are recognized on the date of their creation. All other financial liabilities at the date of the transaction (including commitments at fair value through profit and loss) are initially recognized when the company is a party to the contractual provisions of the instrument.

The company excludes the financial obligation when it is exempted, canceled or its contractual obligations expire.

The company classifies non-derivative financial liabilities in other financial liabilities. The former is recognized at its fair value, plus transaction costs directly attributable to it. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method, and include financial liabilities, loans and advances, bank overdrafts, suppliers and other credit balances.

Bank overdraft balances paid on demand and which form part of the company's fund management are included as a component of cash and cash equivalents when preparing the statement of cash flows.

(All amounts are in United States Dollar otherwise stated)

36.3 Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for their intended use also, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment .The cost of borrowing related the acquisition, establishment or manufacturing of any asset is recognized in profit or loss when they are incurred.

When parts of an item of property, plant and equipment have different useful lives, 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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Subsequent costs
Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and highly accuracy measurement . Ongoing repairs and maintenance is expensed as incurred

Depreciation
Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.
The estimated useful lives as follows:

Class	Useful life after adjustments
Buildings	%2
Decorations & exhibition equipment	%10
Marine units	%10 - %2.5
Marine refurbishments	%40 - %20
Diving equipment	%20 - %10
Tools and Equipment	%33 - %14
Means of transportation	%25 - %20
Furniture & office equipment	%33 - %14

The depreciation of the asset begins when the asset is usable for the purpose for which it was intended. On the date of the financial statements, the methods of depreciation, the useful lives of the assets and their residual value are reviewed.

During the year 2015, the productive lives of the company's fixed assets were re-estimated for the marine units item, in accordance with the decision of the Board of Directors. January 2015.

36.4 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses. No depreciation is charged until the project is completed and transferred to fixed assets.

36.5 Intangible assets

Intangible assets are measured at cost, which is the cash price at the date of recognition. In the event of deferment of payment for periods exceeding the normal credit period, the difference between the cash price and the total amount paid is recognized as interest. Intangible assets are presented net of depreciation and impairment losses. Subsequent expenditures on the acquisition of intangible assets are capitalized only when such expenditures increase the future economic benefits of the asset or assets. All other expenses are charged to the income statement when incurred. Intangible assets are depreciated on a straight line basis over the useful lives of the intangible assets. If the useful life of intangible assets is indefinite, impairment testing is performed on a regular basis at each balance sheet date. Intangible assets are depreciated from the date on which they are available for use and have an estimated useful life of 5 years.

36.6 Expense recognition

Expenses are recognized in profit or loss when there is a decrease in future economic benefits due to a decrease in an asset or an increase in a liability" and can be measured with confidence. This means, in fact, that the recognition of expenses takes place simultaneously with the recognition of an increase in liabilities or a decrease in assets. Expenses are recognized in the income statement on the basis that there is a direct correlation between costs incurred and revenue earned (corresponding to costs with revenue).

When economic benefits are expected to arise over many accounting periods" and the association with income can be determined generally or only indirectly, the expenses must be recognized in the income statement on a regular and reasonable basis for distribution.

The expense is recognized immediately in the income statement "when the expense does not generate any future economic benefits or when the future economic benefits do not qualify" or no longer qualifies; to be recognized as an asset in the financial statements.

36.7 Goodwill

Goodwill arising from the acquisition of a subsidiary represents the excess of the acquisition cost over the Group's share of the net fair value of assets and liabilities; and potential liabilities acquired at the acquisition date. The goodwill is initially recognized at cost as an asset and is subsequently measured at cost less the total losses arising from impairment.

For the purposes of impairment tests, goodwill is allocated; Acquired on business combination" on each of the group's cash-generating units that are expected to benefit from the combination. The impairment test is performed for the cash-generating units to which the goodwill has been allocated annually or periodically if events or changes in circumstances indicate that there is an indication of impairment in the value of goodwill.

If the recoverable amount of a cash-generating unit is less than the net book value of that unit, the impairment loss is allocated.

In the book value of the unit assets first to reduce the book value of the goodwill allocated to the cash-generating unit. Then reduce the assets other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The loss resulting from the impairment of goodwill is not reversed in a subsequent period.

36.8 Inventories

The inventory of spare parts and fuel is recorded at cost and the cost of the inventory includes the purchase price and all other expenses related to spare parts until they reach the stores, and the cost of inventory is determined according to the weighted average method; The cost of inventory is charged to operating costs. Inventory is valued at the end of the year at cost according to the weighted average method or at net realizable value, whichever is lower.

36.9 Impairment

Non - derivative financial assets

A financial asset not classified as at fair value through profit or loss, including an interest in an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss had an negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
For intangible assets that have indefinite useful lives, the recoverable amount is tested annually for impairment.

An impairment loss is recognized if the carrying amount of an asset or cash – generating unit (CGU) exceeds its recoverable amount.

Impairment on financial assets

Group companies assess at each balance sheet date whether there is objective evidence that a financial asset is impaired. Impairment of the value of a financial asset and losses resulting from impairment are borne only if there is objective evidence of impairment as a result of the occurrence of one or more events after the initial recognition of the asset and this event or these events had an impact that can be reliably evaluated on the expected future cash flows of the financial asset. For financial assets carried at amortized cost, the impairment loss is the difference between the carrying amount of those assets and the present value of future cash flows, discounted at the original effective interest rate of the financial asset. The book value of the financial asset is reduced directly, except for customer accounts, which are reduced in value using a provision, and debts that are confirmed not to be collected through this provision are written off.

The value of the losses recognized by the shall be refunded either directly or by settling the allowance account and such cancellation shall not create a book value of the financial asset that exceeds the amortized cost at the date of derecognition of the impairment losses if such impairment losses had not been recognized. The value of the derecognition is recognized in profit or loss. this is. The value of the derecognition is recognized in profit or loss.
In accordance with the decision of the company's board of directors dated June 14, 2017, it was approved to amend the policy of the group companies in the formation of impairment losses related to customer balances to become in accordance with the following:
1- 30% of the invoice balance after one year from the due date of collecting the invoice
2- 30% of the invoice balance after two years from the due date of collecting the invoice
3- 40% of the invoice balance after three years from the due date of collecting the invoice
It should be noted that on May 5, 2018, the resolution was unanimously approved by the company's Ordinary General Assembly

36.10 Provisions

A provision is recognized only when the Group has a present legal or constructive obligation as a result of a past event and an outflow of economic resources is expected to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision must express the best estimate of the expenditures required to settle the present obligation at the date of the financial statements, taking into account the risks and uncertainties surrounding the value to be recognized as a provision. When the effect of the time value of money is material, the amount recognized as a provision It is the present value of the amounts expected to settle the obligation. When it is expected that some or all of the expenses required to settle a provision will be recovered from another third party, the reimbursement is recognized as an asset when it is certain that the reimbursement will take place, with the possibility of reliably measuring the reimbursement amount.

36.11 Dividends

Dividends are recognized as a liability in the period in which the distribution is announced.

36.12 Employee benefits

Defined contribution plans

The company contributes to the governmental social insurance system for the benefit of its employees in accordance with the Social Insurance Law." According to this law, the employees and the company contribute to the system in a fixed percentage of wages, and the company's obligation is limited to the value of its contribution, and the company's contributions are charged to the income statement according to the accrual principle.

Employees profit share

According to the articles of association, the company pays a percentage of the cash dividends as a share to the employees in the profits in accordance with the rules proposed by the company's board of directors and approved by the general assembly. .

36.13 Revenue

Revenue from contracts with customers is recognized by the company based on five step modules as identified in EAS No. (48):

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 must 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 company 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 company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the company expects to receive in exchange for each performance obligation satisfaction.

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

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

a- Company's performance does not arise any asset that has an alternative use of the company and the company has an enforceable right to pay for completed performance until the date.

b- The company arise or improves a customer-controlled asset when the asset is arising or improved.

c- The customer receives and consumes the benefits of company's performance at the same time as soon as the company has performed.

d- For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the company satisfies performance obligation.

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

Revenue is recognized to the extent that is potential for the flow of economic benefits to the company, 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 company 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 company estimated that, and based on the agreement with customers, the company does not arise asset has alternative use to the company and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the company 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.

Determine the transaction price
The company has to determine the price of the transaction in its agreement with customers, using this judgement, the company 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 contract.

Control transfer in contracts with customers
If the company determines the performance obligations satisfaction at a point of 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 company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the company considers the use of the input method, which requires recognition of revenue based on the company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the company 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.

Revenue sources	**Revenue recognition**
Marine unit's rental	At the time
Supplying food for crews of marine units and other revenues	At the time

Income from renting marine units

Revenue is measured based on considerations specified in contracts with customers and excludes amounts collected on behalf of third parties. The company recognizes revenue when the service is provided to the customer, on delivery to the customer.

If the consideration promised in the contract includes a variable amount, the company estimates what fees it is entitled to for services rendered to the customer.

Contract revenue

Revenue is measured based on considerations specified in contracts with customers and excludes amounts collected on behalf of third parties. The company recognizes revenue when the good is delivered to the customer, on delivery to the customer.

If the consideration promised in the contract includes a variable amount, the company estimates what it is entitled to in exchange for transferring the promised goods or services to the customer.

Credit interest and other income

Credit interest is recognized using the effective interest rate method, and other income is recognized on an accrual basis.

36.14 Fair value measurement

A number of the Company's accounting policies and related disclosure requirements require the determination of the fair value of financial and non-financial assets and liabilities. The fair value is determined for measurement or disclosure purposes, and the notes complementing the financial statements of assets and liabilities are disclosed, whenever possible, about any additional information about the assumptions used in determining the fair value in the notes for those assets and liabilities.

Other intangible assets

The fair value of other intangible assets is determined based on the discounted cash flows expected to be obtained from the final use and sale of the assets.

Trade receivables

Trade receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest method less the provision for impairment of those receivables. The provision for impairment of the value of debtors is formed when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the contract, and the impairment represents the difference in the book value and the present value of the expected cash flows. The cash flows are discounted using the effective interest rate. The book value is reduced by using the allowance for impairment and the loss is recorded in the income statement. When the balances of trade receivables are not collected, they are written off using the provision created, and when those amounts previously destroyed are collected, they are included in the income statement.

Trade payables

Commercial creditors generally prove the value of the goods and services received from third parties, whether invoices are received for them or not. When this is significant, the goods and services received as well as trade creditors are recognized at the present value of the expected cash outflows using the interest rate of identical loans, and trade creditors are subsequently stated at amortized cost using the effective interest rate method.

36.15 Lease contract

At the outset of the contract, the company assesses whether the contract is a lease or includes a lease. The contract is a lease or includes a lease if the contract conveys the right to control the use of a specific asset for a period of time in exchange for consideration. To assess whether a lease conveys the right to control the use of a specific asset, the Group uses the definition of a lease in Egyptian Accounting Standard No. (49).

This policy applies to contracts concluded since or after the establishment of the company.

Lessee

On initiation or upon modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on a pro-rata basis, however, for real estate leases, the Group has elected not to separate the non-lease components and accounting for the lease and non-lease components as the lease component single.

The Group recognizes a right-of-use asset and a lease liability on the date of the lease inception. The usufruct asset is initially measured at cost, which includes the initial amount of the lease obligation and is settled by any amounts paid on or before the date of the contract inception, plus any initial direct costs incurred and the estimated costs of dismantling and removing the underlying asset or restoring the asset itself or the location in which it is located. The asset, less any rental incentives received.

The usufruct asset is subsequently depreciated using the straight-line method from the date of the contract inception until the end of the lease term, unless the lease transfers ownership of the underlying asset to the group at the end of the lease term, or if the cost of the usufruct asset reflects that the group will exercise the purchase option, In this case, the usufruct asset is depreciated over the useful life of the asset, which is determined on the same basis for real estate and equipment. In addition, the usufruct asset is periodically reduced by the value of the impairment losses, if any, and is adjusted by re-measuring the lease liability.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date of the contract, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate should be used. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the incremental borrowing rate by obtaining interest rates from various external sources of financing and making certain adjustments to reflect the terms of the lease and the type of asset being leased.

The lease payments included in the lease liability measurement consist of the following:
(a) Fixed payments, which include essentially fixed payments.
B- Variable lease payments that depend on an index or a rate, and were initially measured using the index or rate at the start of the lease contract.
C- Amounts expected to be paid by the lessee under residual value guarantees.
(d) the exercise price of a purchase option if the group is reasonably certain to exercise that option, lease payments in the optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of the lease unless the group is reasonably certain not to terminate early .

(All amounts are in United States Dollar otherwise stated)

The lease liability is measured at amortized cost using the effective interest method. which is re-measured if there are changes in future lease payments resulting from the dust in an index or rate used to determine those payments, if there is a change in the group's estimate of the amount expected to be paid under a residual value guarantee, if the group changes its assessment of whether to exercise a purchase option extension, termination, or if there is a substantially fixed rent payment.

When the lease liability is re-measured in this way, an adjustment is made to the carrying amount of the right of use asset, or it is recorded in profit or loss if the carrying amount of the right of use asset is reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property within property, plant and equipment and lease commitments within loans and advances in the statement of financial position.

Short-term leases and leases of small-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for leases of small value assets and short-term leases, including information technology equipment. The Group recognizes lease payments associated with these leases as an expense on a straight line basis over the term of the lease.

37. New Editions and Amendments to Egyptian Accounting Standards:

- On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: – Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". – Egyptian Accounting Standard No. (24) "Income Taxes" – Egyptian Accounting Standard No. (30) "Interim Financial Reporting" – Egyptian Accounting Standard No. (31) "Impairment of Assets"	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively,** cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**

(All amounts are in United States Dollar otherwise stated)

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	– Egyptian Accounting Standard No. (49) "Leasing Contracts" 2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested. – The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented. – The company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	These amendments are effective for annual financial periods **on or after** starting **January 1, 2023, retrospectively,** cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**

(All amounts are in United States Dollar otherwise stated)

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	in equity at the beginning of the earliest period presented.		
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: – Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" – Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". – Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" – Egyptian Accounting Standard No. (24) "Income Taxes" – Egyptian Accounting Standard No. (30) "Interim Financial Reporting " – Egyptian Accounting Standard No. (31) "Impairment of Assets" – Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" – Egyptian Accounting Standard No. (49) "Leasing Contracts"	Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the fair value model are effective for financial periods starting **on or after January 1, 2023** **retrospectively,** cumulative impact of the preliminary applying of the fair value model shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.**
Egyptian Accounting Standard No. (36) amended 2023	1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. 2- The company applies either the cost model or the revaluation model for	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in the standard and	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1,**

(All amounts are in United States Dollar otherwise stated)

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
"Exploration for and Evaluation of Mineral Resources"	exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.	assessing the potential impact on the financial statements in case of using this option.	**2023, retrospectively,** cumulative impact of the preliminary applying of the revaluation model **shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	These amendments are effective for annual financial periods starting **on or after January 1, 2023 retrospectively,** cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added **to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**
Egyptian Accounting Standard No. (50) "Insurance Contracts".	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 the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position,	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- 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: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ".		