Translated "Originally issued in Arabic"

Maridive & Oil Services
An Egyptian Joint Stock Company
Free Zone Company
Condensed consolidated interim financial statements
For the period ended 30 June 2023
And limited review report

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Maridive & Oil Services
An Egyptian Joint Stock Company (Free Zone Company)
Condensed Consolidated interim financial statements
For the period ended 30 June 2023

Contents

KPMG

Hazem Hassan
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Limited review report on condensed consolidated interim financial statements

To: The Board of Directors' of Maridive & Oil Services Company

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Maridive & Oil Services Company. "an Egyptian Joint Stock Company – Free Zone Company" as at June 30, 2023, the condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements'. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements (2410), Review of Interim Financial Information Performed by the Independent Auditor of the Entity except for the paragraphs mentioned at the basis for qualified conclusion, A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

A- As stated in Note no. (7) of the notes to the condensed consolidated interim 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. (14) of the notes of the condensed consolidated interim financial statements, the company has not committed to pay the installments due for the current loans on June 30, 2023 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 June 30 2023, and the company did not obtain a waiver letter from the debt covenants for that from the lending banks until June 30, 2023. 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 ".

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

Qualified Conclusion

Based on our review, except for the effect of the matters described in the basis for Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material aspects, the consolidated financial position of the entity as at June 30, 2023, and its consolidated financial performance and its consolidated cash flows for the six-months then ended in accordance with Egyptian Accounting Standards.

Hany Selim – Partner
Public Accountants & Consultants
Financial Regulatory Authority (FRA)
No, (397)
KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
(11)

Cairo, September 18, 2023

Maridive And Oil Services

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An Egyptian Joint Stock Company - (Free Zone Company)

Condensed consolidated interim statement of financial position

(All amounts are in United States Dollar)

	Note	30/6/2023	31/12/2022
Assets			
Non-current assets			
Property, plant and equipment (Net)	4	510 313 915	515 711 975
Projects under construction	5	23 404 977	7 249 567
Intangible assets	6	590 009	558 889
Goodwill	7	5 131 275	5 131 275
Total non-current assets		**539 440 176**	**528 651 706**
Current assets			
Inventories	11	17 007 019	17 100 353
Trade receivables	8	69 857 946	53 827 435
Debitors & other debit balances	9	48 981 746	43 407 894
Due from related parties	17-1	181 130	181 130
Cash and cash equivalent	10	20 964 290	10 496 097
Total current assets		**156 992 131**	**125 012 909**
Total assets		**696 432 307**	**653 664 615**
Equity			
Issued and paid-up capital	18	188 102 296	188 102 296
Reserves		113 084 225	113 066 301
Consolidation reserve	19	(2 556 743)	(2 556 743)
Retained losses		(362 631 491)	(380 056 866)
Total deficit inequity attributable to holders of the parent		**(64 001 713)**	**(81 445 012)**
Non-controlling interest	20	8 456 243	8 147 471
Total deficit in equity		**(55 545 470)**	**(73 297 541)**
Non-current liabilities			
Long-term loans	14	335 418 796	307 784 291
Lease liabilities	12	11 499 799	11 088 291
Total non-current liabilities		**346 918 595**	**318 872 582**
Current liabilities			
Provisions	16-1	49 831 312	50 013 165
Bank credit facilities	13	43 731 484	47 010 295
Long term loans - current portion	14	44 634 648	70 811 195
Trade and notes payable		91 238 000	95 507 861
Creditors & other credit balances	15	146 139 054	115 211 294
Due to related parties	17-2	29 484 684	29 535 764
Total current liabilities		**405 059 182**	**408 089 574**
Total liabilities		**751 977 777**	**726 962 156**
Total liabilities and shareholder's equity		**696 432 307**	**653 664 615**

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

Managing Director
Eng / Tarek Farid

Chairman
Mrs. Shahira Zeid

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Maridive And Oil Services
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed consolidated interim statement of profit or loss
(All amounts are in United States Dollar)

		For the six months period ended 30 June		For the three months period ended 30 June	
	Note	2023	2022	2023	2022
Operating revenues	3	86 415 653	46 338 548	44 843 961	25 747 930
Operating cost	3	(41 197 972)	(52 168 657)	(17 272 538)	(26 265 443)
Gross profit / (loss)		**45 217 681**	**(5 830 109)**	**27 571 423**	**(517 513)**
Other revenues		607 250	1 447 097	154 460	1 071 673
Administrative expenses		(8 333 171)	(4 756 962)	(4 965 638)	(1 599 853)
Other Expenses		(6 247 581)	(3 192 235)	(5 250 911)	(1 721 315)
Finance cost (Net)		(12 444 578)	(3 599 733)	(6 797 156)	(2 451 810)
Net profit / (loss) for the period before income tax		**18 799 601**	**(15 931 942)**	**10 712 178**	**(5 218 818)**
Income tax for the period		(1 099 287)	(70 430)	(1 099 287)	(70 430)
Net profit / (loss) for the period		**17 700 314**	**(16 002 372)**	**9 612 891**	**(5 289 248)**
Attributable to:					
Equity holders of the parent		17 425 375	(15 072 440)	9 330 435	(4 687 203)
Non-controlling interests		274 939	(929 932)	282 456	(602 045)
		17 700 314	**(16 002 372)**	**9 612 891**	**(5 289 248)**
Basic and diluted profit / (loss) per share for the period (US Dollar / Share)	21	**0.037**	**(0.032)**	**0.020**	**(0.010)**

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

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Maridive And Oil Services
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed consolidated interim statement of comprehensive income
(All amounts are in United States Dollar)

	For the six months period ended 30 June		For the three months period ended 30 June	
	2023	2022	2023	2022
Net profit / (loss) for the period	17 700 314	(16 002 372)	9 612 891	(5 289 248)
Other comprehensive income	-	-	-	-
Foreign operations - foreign exchange translation differences	51 757	155 618	7 417	56 326
Total comprehensive income for the period	**17 752 071**	**(15 846 754)**	**9 620 308**	**(5 232 922)**
Attributable to:				
Equity holders of the parent	17 443 299	(14 996 268)	9 327 089	(4 659 555)
Non - controlling interest	308 772	(850 486)	293 219	(573 367)
	17 752 071	**(15 846 754)**	**9 620 308**	**(5 232 922)**

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

Maridive And Oil Services
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed consolidated interim statement of changes in equity
(All amounts are in United States Dollar)

For the period ended 30 June 2023

	Issued and paid-up capital	Private reserve	Legal reserve	Currencey Translation Reserve	Total reserves	Consolidation Reserve	Retained losses	Net loss for the period / year	Total deficit in Equity for the company	Non-controlling interest	Total
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 period from 1 January 2022 to 30 June 2022	-	-	-	-	-	-	-	(15 072 440)	(15 072 440)	(929 932)	(16 002 372)
Other comprehensive income	-	-	-	76 172	76 172	-	-	-	76 172	79 446	155 618
Total comprehensive income for the period	-	-	-	**76 172**	**76 172**	-	-	**(15 072 440)**	**(14 996 268)**	**(850 486)**	**(15 846 754)**
Transferred to retained losses	-	-	-		-		(15 072 440)	15 072 440			-
Balance at 30 June 2022	**188 102 296**	**76 877 138**	**36 248 932**	**103 806**	**113 229 876**	**(2 556 743)**	**(289 787 424)**	-	**8 988 005**	**8 458 195**	**17 446 200**
Comprehensive income											
Net loss for the period from 1 July 2022 to 31 December 2022	-	-	-	-	-	-	-	(90 269 442)	(90 269 442)	(70 153)	(90 339 595)
Other comprehensive income	-	-	-	(163 575)	(163 575)	-	-	-	(163 575)	(177 029)	(340 604)
Total comprehensive income for the period				**(163 575)**	**(163 575)**			**(90 269 442)**	**(90 433 017)**	**(247 182)**	**(90 680 199)**
Transferred to retained losses	-	-	-	-	-	-	(90 269 442)	90 269 442	-	-	-
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)**
Balance at 1 January 2023	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)
Comprehensive income											
Net loss for the period from 1 January 2023 to 30 June 2023	-	-	-		-	-	-	17 425 375	17 425 375	274 939	17 700 314
Other comprehensive income	-	-	-	17 924	17 924	-	-	-	17 924	33 833	51 757
Total comprehensive income for the period	-	-	-	**17 924**	**17 924**			**17 425 375**	**17 443 299**	**308 772**	**17 752 071**
Transferred to retained losses	-	-	-		-	-	17 425 375	(17 425 375)	-	-	-
Balance at 30 June 2023	**188 102 296**	**76 877 138**	**36 248 932**	**(41 845)**	**113 084 225**	**(2 556 743)**	**(362 631 491)**	-	**(64 001 713)**	**8 456 243**	**(55 545 470)**

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

Maridive And Oil Services
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed consolidated interim statement of cash flows
(All amounts are in United States Dollar)

	Note	For the period from 1/1/2023 to 30/6/2023	For the period from 1/1/2023 to 30/6/2022
Cash flows from operating activities:			
Net profit / (loss) for the period after income tax		17 700 314	(16 002 372)
Adjustments :			
- Depreciation of property, plant and equipment	4	5 608 844	16 263 438
- Amortization of intangible assets		99 041	22 566
- Gain from sale of PP&E		(352 724)	-
- Finance costs		12 444 578	10 077 251
- Amortization of the cost of obtaining loans			
- Income Tax		1 099 287	70 430
		36 599 340	**10 431 313**
Changes in:			
- Inventories		93 334	(226 562)
- Trade receivables & debtors other debit balances		(21 604 363)	(26 153 661)
- Debtors and other debit balances			
- Due from related parties		-	53 972
- Trade and notes payable		(4 269 861)	12 407 559
- Creditors and other credit balances		19 599 291	2 313 085
- Due to related parties		(51 080)	5 934 225
- Due to related parties			
- Provisions		(181 853)	(1 454 837)
Cash generated from operating activities		**30 184 808**	**3 305 094**
- Interest paid		(406 802)	(3 329 988)
- Income tax paid		(734 894)	(70 430)
Net cash from / (used in) operating activities		**29 043 112**	**(95 324)**
Cash flows from investing activities:			
Payments for purchase of PP&E and projects under construction		(16 389 293)	(2 375 283)
Proceeds from sale of PP&E		375 823	-
Payments for purchase of intangible assets		(130 161)	(25 434)
Net cash used in investing activities		**(16 143 631)**	**(2 400 717)**
Cash flows from financing activities:			
Proceeds / (Payments)for loan installments		1 457 958	(1 154 030)
(Payments) / proceeds from bank credit facilities		(3 278 811)	7 698 101
Payments for lease liabilities		(662 192)	(1 373 083)
Net cash used in financing activities		**(2 483 045)**	**5 170 988**
Net increase in cash and cash equivalents during the period		10 416 436	2 674 947
Foreign exchange translation differences		51 757	155 618
Cash and cash equivalents at January 1	10	10 496 097	5 782 632
Cash and cash equivalents at June 30	10	**20 964 290**	**8 613 197**

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

Maridive and Oil Services S.A.E. Company – an Egyptian Joint Stock Company – was established under 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 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 19, 1978.

The Company is registered in commercial registry under No. 19564 on 19 March 1978.

The license for the company's operation has been extended for five periods starting 20 July 2017 according to the decision no.27/ 2017 granted from the general authority for investment and free zone dated 21 August 2017.
The license to practice the activity has been extended for a period of one year, starting from July 20, 2022 and ending on July 19, 2023, in accordance with the decision of the Chairman of the General Authority for Investment and Free Zones on September 1, 2022.

Address of the Company is Plot 13-line 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 under No. 25391 dated June 26, 1993.

The Company's purpose

A) The purpose of 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.

B) 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.

C) Owning and renting launches, marine loaders, supplying ships and all marine equipment.

D) The company may benefit or participate by any kind with individuals and companies which have the same similar work, or which may cooperate in reaching objectives. Also, the company may merge with previously mentioned companies or acquire them. In addition, the company has the right to establish specialized companies in relation to its various activities. All the above decisions must be approved by the investment and zone general authority.

2. Basis of preparation

2-1 Statement of compliance

The consolidated financial statements for the period ended June 30, 2023 have been prepared in accordance with Egyptian Accounting Standards (EAS), and in the light of the prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on September 16, 2023.

2-2 Important accounting policies

The condensed consolidated interim financial statements have been prepared following the same accounting policies that were applied and followed when preparing the company's financial statements for the financial year ended 31 December 2022, and these policies have been consistently followed for all periods presented in these condensed consolidated interim financial statements.

2-3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material item in the balance sheet:
Non-derivative financial instruments at fair value through profit or loss are measured at fair value.

2-4 Functional and presentation currency

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

2-5 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 (16-1) : Provisions
Note (16-2) : Impairment on assets

2-6 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.

2-7 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 US dollar unless 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 June 30, 2023
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.

C- Entities Purpose

- Purpose of the Maritime and Petroleum Services Company: The purpose of the company is to carry out, in the free zones, all marine works such as services, maintenance, installations and constructions, whether underwater or outside, and works related to industrial services for marine and terrestrial facilities such as cleaning and maintenance of constructions and installations, transportation, supply and supply of all necessary equipment and spare parts. related to it.

(All amounts are in US dollar unless otherwise stated)

- Valentine Maritime Company Limited: The purpose of the company is to carry out commercial activities and provide marine services. The company's business is carried out in various parts of the world from its head office in Abu Dhabi - United Arab Emirates.
- Maritide Company for Maritime and Petroleum Services: The purpose of the company is to provide distinguished technical services to petroleum companies and specialized companies operating in this field, such as supply, towing, handling of anchorages, fire fighting, pollution treatment, diving assistance and all works related to the assistance required for offshore oil fields in the concession areas of oil companies, as well as owning Newly built marine units.
- Maridive Offshore Projects Company The purpose of the company is to carry out the activity of marine technical services, except for investment services. Its most important activities include specialized marine technical services, whether above or outside the water surface, in the field of marine petroleum projects and other marine magazines, and related engineering and construction works, including diving, rescue and maintenance of all kinds, and maintenance of platforms. Wells and marine units, processing and painting of metals, as well as marine survey works, seabed soil research, laying cables and pipelines under and outside the water surface, and navigational services for ports and lighthouses in and outside the Egyptian territorial waters. And the levers necessary to perform its purposes.
- Ocean Marine Company (FZC): The purpose of the company is to own marine units, lease marine units, as well as market projects.

3. 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.

A- Gross revenues

	For the six-month period ended June 30		For the three-month period ended June 30	
	2023	2022	2023	2022
Marine units' rental income	32 344 243	23 024 583	17 448 929	9 934 588
Revenues from projects	54 071 410	23 313 965	27 395 032	15 813 342
	86 415 653	**46 338 548**	**44 843 961**	**25 747 930**

(All amounts are in US dollar unless otherwise stated)

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

Revenues

	For the six-month period ended June 30		For the three-month period ended June 30	
	2023	**2022**	**2023**	**2022**
Total marine units' rental	39 802 404	29 021 638	21 197 280	14 918 082
Less: rental income from marine units between group companies	(7 458 161)	(5 997 055)	(3 748 351)	(4 983 494)
	32 344 243	**23 024 583**	**17 448 929**	**9 934 588**
Total revenue from projects	56 568 830	25 335 653	28 652 446	16 746 127
Less: revenue from projects between group companies	(2 497 420)	(2 021 688)	(1 257 414)	(932 785)
	54 071 410	**23 313 965**	**27 395 032**	**15 813 342**
Total segments revenue	**86 415 653**	**46 338 548**	**44 843 961**	**25 747 930**

Costs

	For the six-month period ended June 30		For the three-month period ended June 30	
	2023	**2022**	**2023**	**2022**
Total cost of marine units' rental	24 075 617	32 601 074	11 583 622	15 762 960
Less: rental income from marine units between group companies	(2 510 195)	(7 188 472)	(1 341 035)	(5 194 084)
	21 565 422	**25 412 602**	**10 242 587**	**10 568 876**
Total projects cost	27 485 414	27 929 828	10 898 151	16 590 513
Less: cost from projects between group companies	(7 852 864)	(1 173 773)	(3 868 200)	(893 946)
	19 632 550	**26 756 055**	**7 029 951**	**15 696 567**
Total segments cost	**41 197 972**	**52 168 657**	**17 272 538**	**26 265 443**

(All amounts are in US dollar unless otherwise stated)

Operation results	**For the six-month period ended June 30**		**For the three-month period ended June 30**	
	2023	**2022**	**2023**	**2022**
Total operating revenue	86 415 653	46 338 548	44 843 961	25 747 930
Total operating cost	(41 197 972)	(52 168 657)	(17 272 538)	(26 265 443)
Segment result	**45 217 681**	**(5 830 109)**	**27 571 423**	**(517 513)**
Other income	607 250	1 447 097	154 460	1 071 673
Administrative expense	(8 333 171)	(4 756 962)	(4 965 638)	(1 599 853)
Other expense	(6 247 581)	(3 192 235)	(5 250 911)	(1 721 315)
Net finance cost	(12 444 078)	(3 599 733)	(6 797 156)	(2 451 810)
Net loss for the period before income tax	**18 799 601**	**(15 931 942)**	**10 712 178**	**(5 218 818)**
Income tax for the period	(1 099 287)	(70 430)	(1 099 287)	(70 430)
Net loss for the period	**17 700 314**	**(16 002 372)**	**9 612 891**	**(5 289 248)**
Distributed as follows:				
Parent company shareholders	17 425 375	(15 072 440)	9 330 435	(4 687 203)
Non-controlling interests	274 939	(929 932)	282 456	(602 045)
	17 700 314	**(16 002 372)**	**9 612 891**	**(5 289 248)**

(All amounts are in US Dollar unless otherwise stated)

4. Property, plant and equipment (Net)

	Buildings and Improvements	Right of use Assets	Land	Marine units*	Marine Refurbishment	Diving equipment	Machinery & equipment	Means of transportation	Furniture & office equipment	Total
Cost										
Cost at 1 January 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 31 December 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**
Cost at 1 January 2023	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
Additions during the period	-	-	-	-	-	177 851	33 459	-	22 573	233 883
Disposals during the period	-	-	-	-	-	-	(1 749 112)	-	-	(1 749 112)
Cost at 30 June 2023	**99 180 532**	**10 344 230**	**270 134**	**841 297 668**	**52 883 802**	**22 037 695**	**75 608 809**	**1 387 495**	**8 608 195**	**1 111 618 560**
Depreciation and impairment loss										
Accumulated depreciation and impairment at 1 January 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
Disposals Accumulated Depreciation	-	-	-	(27 459 585)	(2 112 416)	-	(3 038 095)	-	(221 892)	(32 831 988)
Accumulated depreciation and impairment at 31 December 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**
Accumulated depreciation and impairment at 1 January 2023	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
Depreciation for the period	833 734	234 209	-	1 175 766	1 925 743	477 452	899 623	-	62 317	5 608 844
Accumulated depreciation for disposals during the period	-	-	-	-	-	-	(1 726 013)	-	-	(1 726 013)
Accumulated depreciation and impairment at 30 June 2023	**36 375 831**	**1 639 463**	-	**419 467 692**	**44 736 739**	**17 657 664**	**71 664 777**	**1 387 495**	**8 374 984**	**601 304 645**
Net carrying amounts at 30 June 2023	**62 804 701**	**8 704 767**	270 134	**421 829 976**	**8 147 063**	**4 380 031**	**3 944 032**	-	**233 211**	**510 313 915**
Net carrying amounts at 31 December 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

(All amounts are in US dollar unless otherwise stated)

* The company has mortgaged some of its marine units as a guarantee for the loans that were obtained to finance the construction of the new marine units.
First: Mortgaging marine units No. (208 and 212) to Arab International Bank as a guarantee of the credit facilities granted to the company

Second: Mortgaging 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 601 MWM) to Abu Dhabi Islamic Bank as a guarantee of the loan granted to the company.

Third: Mortgaging marine unit No. (4000) (to The National Bank of Egypt)

Fourth: Mortgaging Maridive Dahr-1 and Maridive Dahr-2 to Mashreq Bank (agent for the European Bank for Reconstruction and Development)

Fifth: Mortgaging the marine unit (Harmonyado) according to the contract with Global Lease Financial Leasing Company.

Sixth: Mortgage of some marine units of Valentine Company and Ocean Marine Company (one of the subsidiaries) in favor of Al Hilal Bank, Abu Dhabi Islamic Bank, Arab African International Bank – Dubai, National Bank of Fujairah and Corblis Leasing Company.

5. Projects under construction

	30 June 2023	**31 December 2022**
Advance payments for purchases of PP&E	23 404 977	7 249 567
	23 404 977	**7 249 567**

Projects under construction consist of:

	30 June 2023	**31 December 2022**
Marine Units	18 033 106	5 848 191
Marine Refurbishment	4 389 469	720 493
Buildings and Improvements	325 903	24 384
Information Technology programs	656 499	656 499
	23 404 977	**7 249 567**

6. Intangible assets

	30 June 2023	**31 December 2021**
Cost at 1 January	1 599 355	1 069 511
Additions during the period / year	130 161	529 844
Cost at the end of the period / year	**1 729 516**	**1 599 355**
Accumulated amortization at 1 January	(1 040 466)	(979 982)
Amortization of the period / year*	(99 041)	(60 484)
Accumulated amortization at the end of the period / year	**1 139 507**	**(1 040 466)**
Carrying amounts at the end of the period / year	**590 009**	**558 889**

*The intangible assets are representing in the used in programs and operating licenses.

(All amounts are in US dollar unless otherwise stated)

7. Goodwill

	30 June 2023	31 December 2022
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**

8. Trade receivables

	Note	30 June 2023	31 December 2022
Trade receivables		143 390 152	125 574 247
Less:			
Impairment on trade receivables	16 - 2	(73 532 206)	(71 746 812)
		69 857 946	**53 827 435**

9. Debtors and other debit balances

	Note	30 June 2023	31 December 2022
Accrued revenues*		34 753 365	30 596 923
Suppliers advance payments		10 789 218	3 524 960
Letter of guarantees (Covered Parts)	22	5 605 901	8 757 756
Employee loans & custodies		1 991 491	1 725 230
Prepaid expenses		1 000 967	820 536
Deposits with others		650 559	537 858
Insurance claims		866 269	82 844
Others debit balances		25 566 895	25 144 523
		81 224 665	71 190 720
Less:			
Impairment on debtors and other debit balances	16 - 2	(32 242 919)	(27 782 826)
		48 981 746	**43 407 894**

*Accrued revenue represents the value of services rendered to customers but not billed until June 30, 2023

10. Cash and cash equivalent

	30 June 2023	31 December 2022	30 June 2022
Banks - Current account	20 606 168	10 324 125	8 345 607
Time deposits	322 290	162 701	255 914
Cash on hand	35 832	9 271	11 676
Cash and cash equivalent in cash flows statement	**20 964 290**	**10 496 097**	**8 613 197**

(All amounts are in US dollar unless otherwise stated)

11. Inventories

	30 June 2023	31 December 2022
Spare parts and consumable materials	15 026 584	15 119 918
Fuel in the marine units	1 980 435	1 980 435
	17 007 019	**17 100 353**

12. Lease liabilities

	30 June 2023	31 December 2022
Lease liability- current portion (shown in credit & other credit balances) - note (15)	4 562 900	3 944 451
Lease liability -non-current portion	11 499 799	11 088 291
	16 062 699	**15 032 742**

The payment of lease liability is as follow:		
Less than one year	5 733 630	5 049 450
More than one year and less than two year	3 806 955	4 274 610
More than two year	15 114 659	16 196 339
Total lease liabilities	**24 655 244**	**25 520 399**
Less: deferred interest expenses	(8 592 545)	(10 487 657)
Present value of lease obligation	**16 062 699**	**15 032 742**

13. Bank credit facilities

	30 June 2023	31 December 2022
Bank facilities*	43 731 484	47 010 295
	43 731 484	**47 010 295**

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

14. Long term loans

The outstanding loans as of June 30, 2023, amounting to 380 053 444 US dollars, are represented by the loans granted to the group by Abu Dhabi Islamic Bank - UAE (joint financing), National Bank of Fujairah, and HSBC Bank. The European Bank for Reconstruction and Development and the Wafa Commercial Bank. These loans were granted in exchange for the mortgage of some marine units and were presented in the financial statements as follows:

(All amounts are in US dollar unless otherwise stated)

The following is a statement of loan balances and terms of repayment:

	30 June 2023	31 December 2022
Long-term loan installments due within a year – current portion	44 634 648	70 811 195
Long-term loan installments due in more than one year – Non-current portion	335 418 796	307 784 291
	380 053 444	**378 595 486**

15. Creditors and other credit balances

	Notes	30 June 2023	31 December 2022
Tax Authority- payroll tax		2 119 147	2 012 554
Tax Authority- withholding tax		39 990	181 680
Accrued expenses		81 983 999	73 562 903
Lease liabilities – Current portion	12	4 562 900	3 944 451
Income tax-subsidiaries and foreign branches		9 070 474	2 236 205
Trade receivables – advance payments		31 297 042	28 192 087
Other		17 065 502	5 081 414
		146 139 054	**115 211 294**

16. Provisions and impairment on assets

16-1. Provisions

	Balance at 01/01/2023	Charged to statement of profit or loss	Used during the period	Balance at 30/6/2023
Provision for contingent liabilities*	50 013 165	2 094	(183 947)	49 831 312
	50 013 165	**2 094**	**(183 947)**	**49 831 312**

* 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.

The usual disclosures about provisions have not been disclosed in accordance with IAS 28 "Provisions and contingent assets and liabilities" as the Company believes that doing so may seriously affect the outcome of negotiations with the counterparties.

(All amounts are in US dollar unless otherwise stated)

16-2 Impairments on assets

	Balance at 01/01/2023	Charged during the year	Used during the year	Balance at 30/6/2023
Impairment on PP&E	150 835 787	-	-	150 835 787
Impairment on trade receivables	71 746 812	1 785 394	-	73 532 206
Impairment on PUC	2 872 342	-	-	2 872 342
Impairment on related parties	834 925	-	-	834 925
Impairment on debtors & other debit balances	27 782 826	4 460 093	-	32 242 919
	254 072 692	**6 245 487**	**-**	**260 318 179**

(All amounts are in US Dollar unless otherwise stated)

17 - 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 June 30 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	30/6/2023	31/12/2022
17 - 1 Due from related parties						
NAZCO	Affiliate	Operating revenue	-	-	84 030	84 030
Valentine Maritime - Qatar	Affiliate	Current	-	-	97 100	97 100
					181 130	**181 130**

17 - 2 Due to related parties	Type of Relationship	Nature of Transactions	Volume of transactions during the year			
			Debit	Credit	30/6/2023	31/12/2022
National Transport and Overseas Services NOSCO	Affiliate	Current	-	-	9 506	9 506
Loan from Board of directors - Maridive	Board of directors	Current	169 965	118 885	19 428 010	19 479 090
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
					29 484 684	**29 535 764**

(All amounts are in US dollar unless otherwise stated)

18. 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.

On May 9, 2022, it was approved to reduce the company's authorized capital from the amount of 1,000,000,000 US dollars (only one billion US dollars) to the amount of 940,511,480 US dollars (only nine hundred forty million five hundred eleven thousand four hundred and eighty US dollars) and it should be noted that the company's management has completed the legal procedures related to that amendment and noted it in the commercial register.

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 per share.

According to extraordinary general meeting held on September 16, 2019 approval was made for the increase in the company's issued capital from USD 163 840 000 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.

19. Consolidation reserve

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

	30 June 2023	31 December 2022
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.

20. 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

	30 June 2023	31 December 2022
Non-controlling interest in Valentine Maritime Ltd	1 415 721	1 445 033
Non-controlling interest in Maritide Offshore Oil Services	35 085	33 898
Non-controlling interest in Maridive Tunisia	958 676	801 524
Non-controlling interest in Maridive Offshore Projects	18 668	12 893
Non-controlling interest in Ocean Marine Co	6 028 093	5 854 123
	8 456 243	**8 147 471**

21. 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 period, adjusted for own Shares held.

	For the six months ended 30 June		For the three months ended 30 June	
	2023	2022	2023	2022
Net profit / (loss) for the period (U.S dollar)	17 425 375	(15 072 440)	9 330 435	(4 687 203)
Less:				
Employee's dividends	-	-	-	-
Bord of director's remunerations	-	-	-	-
Net profit / (loss) for the period (U.S dollar)	17 425 375	(15 072 440)	9 330 435	(4 687 203)
Number of outstanding shares during the period	470 255 740	470 255 740	470 255 740	470 255 740
Basic & diluted profit / (loss) profit per share for the period (US dollar /share)	**0.037**	**(0.032)**	**0.020**	**(0.010)**

22. Contingent liabilities

	Total commitment 30/6/2023	Commitment performed 30/6/2023	Outstanding commitment 30/6/2023	Outstanding commitment 31/12/2022
Letters of guarantee	14 752 993	5 605 901	9 147 092	18 015 892
	14 752 993	**5 605 901**	**9 147 092**	**18 015 892**

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

Based on the hearing from General Secretarial Zakat tax and customs committee dated on 27th of November 2022, regarding 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 $1,162,983 for income tax and withholding tax, the verdict was in the company's favor to reject all claims except an amount $1,027,556 which currently is in appeal, and already paid 75% of the total value

24. 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.

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, debtors and other debit balances.

(All amounts are in US dollar unless otherwise stated)

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	30 June 2023	31 December 2022
Trade receivables	8	69 857 946	53 827 435
Debtors and other debit balances	9	37 191 561	39 062 398
Due from related parties	17-1	181 130	181 130
Cash at bank	10	20 928 458	10 486 826
		128 159 095	**103 557 789**

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 20 928 458 at June 30, 2023 (December 31, 2022: USD 10 486 826), 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 June 30, 2023.

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

June 30, 2023	Book value	12 months or less	1-2 years	2-5 years
Banks - credit facilities	43 731 484	43 731 484	-	-
Long Term Loans	380 053 444	44 634 648	335 418 796	-
Suppliers, notes payable & other credit balances	201 517 112	201 517 112	-	-
Lease Liability	16 062 699	4 562 900	11 499 799	-
Due to related parties	29 484 684	29 484 684	-	-
	670 849 423	**323 930 828**	**346 918 595**	-

(All amounts are in US dollar unless otherwise stated)

December 31, 2022	**Book value**	**12 months or less**	**1-2 years**	**2-5 years**
Banks - 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 Liability	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**	**-**

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 period.

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 EGP 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.