

Translated “Originally issued in Arabic”

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

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

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Limited review report on condensed separate interim financial statements

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

Introduction

We have reviewed the accompanying condensed separate interim statement of financial position of Maridive & Oil Services Company. "an Egyptian Joint Stock Company – Free Zone Company" as at September 30, 2023, the condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months period then ended, and notes to the condensed separate interim financial statements'. Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed separate 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 no. (B) & (C), 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

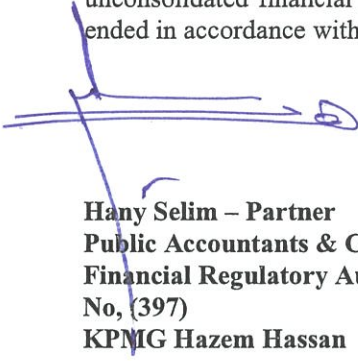
- A. As stated in Note No. (14) of the notes to the condensed separate interim financial statements, the company has not committed to paying the bank installments due to HSBC for the existing loans at September 30, 2023, according to the schedule agreed upon in the contracts of these loans with the bank in addition to the company's failure to fulfill the financial commitments for those loans until September 30, 2023.
- B. As stated in Note No. (18) of the notes to the condensed separate interim financial statements, there is a debit balance due from related party "Ocean Marine Company" (a subsidiary company) amounted to USD 20 590 093 at September 30, 2023. The company has doubt to collect this balance in light of the financial statements of the subsidiary company. The company did not provide us with an impairment study of this debit balance to assess the potential impact on the company's condensed separate interim 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 separate financial statements as a result of non-compliance with that standard.



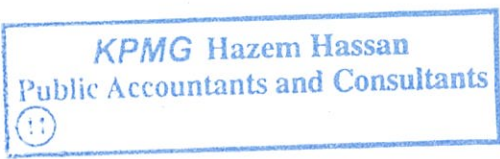
Hazem Hassan

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 separate interim financial statements do not present fairly, in all material aspects, the unconsolidated financial position of the entity as at September 30, 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.



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



Cairo, November 8, 2023

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Maridive & Oil Services Company
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed separate interim statement of financial position
(All amounts are in US Dollar)

	Note	30/9/2023	31/12/2022
Assets			
Non-current assets			
Property, plant and equipment (Net)	4	277 566 026	285 696 388
Projects under construction	5	3 510 128	1 401 376
Investments in subsidiaries	6	66 062 813	66 062 813
Intangible assets	7	23 253	41 709
Total non-current assets		347 162 220	353 202 286
Current assets			
Inventories	9	4 329 282	4 555 838
Trade receivables	10	18 103 637	13 712 048
Debtors and other debit balances	11	8 621 590	6 080 153
Due from subsidiaries' companies	18-1	24 351 735	35 394 762
Cash and cash equivalents	12	1 443 388	1 371 427
Total current assets		56 849 632	61 114 228
Total assets		404 011 852	414 316 514
Equity			
Issued and paid-up capital	17	188 102 296	188 102 296
Reserves		113 111 157	113 111 157
Retained losses		(247 382 692)	(247 383 001)
Total equity		53 830 761	53 830 452
Non-current liabilities			
Long term loans installments	14	210 409 290	215 565 799
Lease liabilities	8-1	1 794 298	3 944 451
Total non-current liabilities		212 203 588	219 510 250
Current liabilities			
Provisions	16-1	6 469 071	6 528 825
Bank credit facilities	13	18 019 972	17 841 326
Long term loans - current portion	14	9 803 410	4 841 087
Trade and notes payable		11 725 356	16 533 921
Creditors and other credit balances	15	43 759 603	50 796 275
Due to subsidiaries' companies	18-3	28 748 744	24 944 879
Due to related parties	18-2	19 451 347	19 489 499
Total current liabilities		137 977 503	140 975 812
Total liabilities		350 181 091	360 486 062
Total liabilities and shareholder's equity		404 011 852	414 316 514

The notes on pages 6 to 19 are an integral part of these condensed separate interim financial statements.

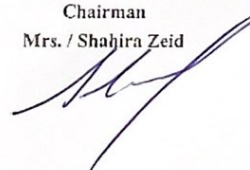
Chief Financial Officer
Mr. / Mostafa Mohamed



Managing Director
Eng. / Tarek Farid



Chairman
Mrs. / Shahira Zeid



Maridive & Oil Services Company
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed separate interim statement of profit or loss
(All amounts are in US Dollar)

	Note	For the nine months ended 30 September		For the three months ended 30 September	
		2023	2022	2023	2022
Operating revenues		43 924 119	34 798 930	12 984 454	11 700 612
Operating cost		(28 200 411)	(35 416 602)	(10 115 006)	(12 575 028)
Gross profit		15 723 708	(617 672)	2 869 448	(874 416)
Other revenues		3 451 325	-	3 106 338	-
Administrative expenses		(3 447 606)	(4 569 834)	(1 147 777)	(1 631 817)
Provisions and impairment on assets		(336 330)	(2 223 376)	1 115 659	(63 889)
Finance cost (Net)	19	(15 390 788)	(6 742 344)	(5 614 594)	(4 260 367)
Net profit / (loss) for the period		309	(14 153 226)	329 074	(6 830 489)
Basic and diluted profit / (loss) per share for the period (US Dollar / Share)	20	0.000001	(0.030097)	0.000700	(0.014525)

The notes on pages 6 to 19 are an integral part of these condensed separate interim financial statements.

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Maridive & Oil Services Company
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed separate interim statement of comprehensive income
(All amounts are in US Dollar)

	For the nine months ended		For the three months ended	
	30 September		30 September	
	2023	2022	2023	2022
Net profit / (loss) for the period	309	(14 153 226)	329 074	(6 830 489)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	309	(14 153 226)	329 074	(6 830 489)

The notes on pages 6 to 19 are an integral part of these condensed separate interim financial statements.

Maridive & Oil Services Company
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed separate interim statement of changes in equity
(All amounts are in US Dollar)

For the period ended 30 September 2023

	Issued and paid up capital	Private reserve	Legal reserve	Total reserves	Retained losses	Net (loss) / profit for the period / year	Total
Balance at 1 January 2022	188 102 296	76 877 138	36 234 019	113 111 157	(233 843 472)	-	67 369 981
Comprehensive income							
Net loss for the period from 1 January 2022 to 30 September 2022	-	-	-	-	-	(14 153 226)	(14 153 226)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(14 153 226)	(14 153 226)
Balance at 30 September 2022	188 102 296	76 877 138	36 234 019	113 111 157	(233 843 472)	(14 153 226)	53 216 755
Comprehensive income							
Net profit for the period from 1 October 2022 to 31 December 2022	-	-	-	-	-	613 697	613 697
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	613 697	613 697
Transferred to retained losses	-	-	-	-	(13 539 529)	13 539 529	-
Balance at 31 December 2022	188 102 296	76 877 138	36 234 019	113 111 157	(247 383 001)	-	53 830 452
Balance at 1 January 2023	188 102 296	76 877 138	36 234 019	113 111 157	(247 383 001)	-	53 830 452
Comprehensive income							
Net profit for the period from 1 January 2023 to 30 September 2023	-	-	-	-	-	309	309
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	309	309
Transferred to retained losses	-	-	-	-	309	(309)	-
Balance at 30 September 2023	188 102 296	76 877 138	36 234 019	113 111 157	(247 382 692)	-	53 830 761

The notes on pages 6 to 19 are an integral part of these condensed separate interim financial statements.

Maridive & Oil Services Company
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed separate interim statement of cash flows
(All amounts are in US Dollar)

For the period ended 30 September

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:			
Net profit / (loss) for the period		309	(14 153 226)
Adjustments :			
- Depreciation of property, plant and equipment	4	9 976 798	10 010 370
- Amortization of intangible assets	7	18 456	19 738
- Finance costs	19	16 946 264	6 742 344
		<u>26 941 827</u>	<u>2 619 226</u>
Changes in:			
- Inventories		226 556	(199 799)
- Trade receivables		(4 391 589)	1 290 248
- Debtors and other debit balances		(2 541 437)	(1 052 162)
- Due from subsidiaries		11 043 027	(4 212 446)
- Trade and notes payable		(4 808 565)	(3 754)
- Creditors and other credit balances		(22 522 654)	5 872 114
- Due to subsidiaries		3 053 865	(411 574)
- Due to related parties		(38 152)	6 147 267
- Provisions		(59 754)	(1 311 498)
		<u>6 903 124</u>	<u>8 737 622</u>
Cash generated from operating activities		6 903 124	8 737 622
Interest paid		(1 885 038)	(6 152 123)
		<u>5 018 086</u>	<u>2 585 499</u>
Net cash from operating activities		5 018 086	2 585 499
Cash flows from investing activities:			
Payments for purchase of PP&E and projects under construction		(3 955 188)	(1 523 411)
		<u>(3 955 188)</u>	<u>(1 523 411)</u>
Net cash used in investing activities		(3 955 188)	(1 523 411)
Cash flows from financing activities:			
Payments for loan installments		(758 058)	(517 426)
Proceeds from loans		1 313 872	896 574
Proceeds from bank credit facilities		178 646	366 230
Payments for lease liabilities		(1 725 397)	(1 416 394)
		<u>(990 937)</u>	<u>(671 016)</u>
Net cash used in financing activities		(990 937)	(671 016)
Net increase in cash and cash equivalents during the period		71 961	391 072
Cash and cash equivalents at January 1	12	1 371 427	147 066
		<u>1 443 388</u>	<u>538 138</u>
Cash and cash equivalents at September 30	12	1 443 388	538 138

The notes on pages 6 to 19 are an integral part of these condensed separate interim financial statements.

Maridive and Oil Services Company

An Egyptian Joint Stock Company – Free Zone Company

Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(All amounts are in US dollar unless otherwise stated)

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 March 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.

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 September 26, 1993.

2. 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.

3. Basis of preparation

3.1 Statement of compliance

The separate financial statements for the period ended September 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 November 7, 2023.

3.2 Important accounting policies

The condensed separate 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 separate interim financial statements.

Maridive and Oil Services Company

An Egyptian Joint Stock Company – Free Zone Company

**Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(Continued)**

(All amounts are in US dollar unless otherwise stated)

3.3 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.

3.3.1 Use of estimates and judgments

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.

3.4 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 financial instruments at the date of the condensed independent interim financial statements without deducting any estimated future selling costs. The values of financial assets are determined at the current purchase prices of those assets, while the value of financial liabilities is determined at the current prices at which those liabilities can be settled.

In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various evaluation methods, taking into account the prices of recent transactions, and being guided by the current fair value of other instruments that are substantially similar - the discounted cash flow method - or any other evaluation method. It results in reliable values.

When using the discounted cash flow method as an evaluation method, future cash flows are estimated based on management's best estimates. The discount rate used is determined in light of the prevailing market price on the date of the condensed independent interim financial statements for financial instruments that are similar in terms of their nature and conditions.

4. Property, plant and equipment (Net)

	Marine units**	Marine Refurbishment	Machinery	Buildings and Improvements	Means of transportation	Furniture & office equipment	Total
Cost							
Cost at 1 January 2022	396 847 462	43 378 845	9 612 696	3 493 036	893 803	2 576 399	456 802 241
Additions during the year	-	1 630 283	-	-	-	-	1 630 283
Transferred from PUC during the year		2 376 407					2 376 407
Cost at 31 December 2022	396 847 462	47 385 535	9 612 696	3 493 036	893 803	2 576 399	460 808 931
Cost at 1 January 2023	396 847 462	47 385 535	9 612 696	3 493 036	893 803	2 576 399	460 808 931
Additions during the period			5 475			1 285	6 760
Transferred from PUC during the period		1 839 676					1 839 676
Cost at 30 September 2023	396 847 462	49 225 211	9 618 171	3 493 036	893 803	2 577 684	462 655 367
Depreciation and impairment loss							
Accumulated depreciation and impairment at 1 January 2022	113 515 878	34 195 120	9 093 341	1 688 849	893 803	2 445 032	161 832 023
Depreciation for the year	9 321 743	3 605 645	162 548	148 673	-	41 911	13 280 520
Accumulated depreciation and impairment at 31 December 2022	122 837 621	37 800 765	9 255 889	1 837 522	893 803	2 486 943	175 112 543
Accumulated depreciation and impairment at 1 January 2023	122 837 621	37 800 765	9 255 889	1 837 522	893 803	2 486 943	175 112 543
Depreciation for the period*	6 991 307	2 735 905	112 417	111 508	-	25 661	9 976 798
Accumulated depreciation and impairment at 30 September 2023	129 828 928	40 536 670	9 368 306	1 949 030	893 803	2 512 604	185 089 341
Net carrying amounts at 30 September 2023	267 018 534	8 688 541	249 865	1 544 006	-	65 080	277 566 026
Net carrying amounts at 31 December 2022	274 009 841	9 584 770	356 807	1 655 514	-	89 456	285 696 388
Fully depreciated	-	30 638 182	4 386 291	65 543	893 803	2 390 571	38 374 390

*Depreciation of PP&E for the period is charged on the statement of profit and loss as follows:

	2023	2022
Operating cost	9 852 424	9 882 386
Administrative expenses	124 374	127 984
	9 976 798	10 010 370

Maridive and Oil Services Company
An Egyptian Joint Stock Company – Free Zone Company
Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(Continued)
(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.

*** Fixed assets include assets that are fully depreciated and still in operation which amounted to USD 38 374 390 as at September 30, 2023.

5. Projects under constructions

	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Cost at 1 January		1 401 376	3 245 557
Additions during the period / year		3 948 428	532 226
Transfer to PP&E during the period / year	4	(1 839 676)	(2 376 407)
		<u>3 510 128</u>	<u>1 401 376</u>
Projects under construction consist of:			
		<u>30 September 2023</u>	<u>31 December 2022</u>
Marine refurbishment		2 829 245	720 493
Buildings and improvements		24 384	24 384
Information technology programs		656 499	656 499
		<u>3 510 128</u>	<u>1 401 376</u>

Maridive and Oil Services Company
An Egyptian Joint Stock Company – Free Zone Company
Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(Continued)
(All amounts are in US dollar unless otherwise stated)

6. Investments in subsidiaries

	Contribution Percentage	30 September 2023	31 December 2022
	%		
Valentine Maritime Ltd	100%	170 826 600	170 826 600
Maritime Offshore Oil Services	99.46%	11 248 155	11 248 155
Ocean Marine (F.Z.C)	64.30%	29 005 662	29 005 662
Maridive Offshore Projects	99.98%	25 808 996	25 808 996
		236 889 413	236 889 413
Less:			
Impairment on investments in subsidiaries - note no. (16-2)		(170 826 600)	(170 826 600)
		66 062 813	66 062 813

7. Intangible Assets

	30 September 2023	31 December 2022
Cost on 1 January	650 774	650 774
Additions during period / year	-	-
Cost at the period / year	650 774	650 774
Accumulated amortization on 1 January	(609 065)	(582 753)
Amortization for the period / year	(18 456)	(26 312)
Cost at the period / year	(627 521)	(609 065)
Net at the period / year	23 253	41 709

*The intangible assets represent the programs and operating licenses used.

8. Lease contracts

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), The required adjustments have been made in application of the Egyptian accounting standards no. (49) the result from such change made during 2019.

Proof of land cost	2 400 992
Proof of residence and construction	8 693 648
Proof of machinery and equipment cost	4 485 732
Proof of accumulated depreciation	5 193 611
Proof of obligations arising from lease contracts	11 424 285
Adjust for balances in advance	4 877 639
Adjusted for deferred revenue	6 723 250
Proof of impairment losses on assets	5 221 354
The impact of the adjustment on retained losses	2 584 822

Maridive and Oil Services Company**An Egyptian Joint Stock Company – Free Zone Company****Notes to the condensed separate interim financial statements for the period ended 30 September 2023****(Continued)****(All amounts are in US dollar unless otherwise stated)****8.1 Liabilities from lease contracts**

	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Lease liabilities – current portion	15	3 368 863	2 944 107
Lease liabilities - non-current portion		1 794 298	3 944 451
		<u>5 163 161</u>	<u>6 888 558</u>

Payments for lease contract liability are being paid as follows:

	30 September 2023		31 December 2022	
	<u>Liabilities principle</u>	<u>Interest payments</u>	<u>Liabilities principle</u>	<u>Interest payments</u>
Less than year	3 368 863	230 863	2 944 107	386 405
More than year and less than two years	1 794 298	42 392	2 878 249	181 107
More than two years	-	-	1 065 802	15 878
	<u>5 163 161</u>	<u>273 255</u>	<u>6 888 558</u>	<u>583 391</u>

9. Inventories

	<u>30 September 2023</u>	<u>31 December 2022</u>
Spare parts and consumable materials	2 645 544	2 872 100
Fuel in the marine units	1 683 738	1 683 738
	<u>4 329 282</u>	<u>4 555 838</u>

10. Trade receivables

	<u>Notes</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade receivables		62 657 767	60 998 194
Less:			
Impairment on trade receivables	16-2	(44 554 130)	(47 286 146)
		<u>18 103 637</u>	<u>13 712 048</u>

Maridive and Oil Services Company
An Egyptian Joint Stock Company – Free Zone Company
Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(Continued)
(All amounts are in US dollar unless otherwise stated)

11. Debtors and other debit balances

	<u>Notes</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Accrued revenues		71 721	70 494
Suppliers – advance payments		5 132 516	2 802 967
Employee’s custodies		1 272 840	1 106 928
Prepaid expenses		569 224	744 578
General Authority for Investment and Free Zone (GAFI)		525 673	525 673
Insurance claims		82 844	82 844
Deposits with others		528 678	529 708
LG covers	21	1 444 409	1 275 083
Others		320 035	268 228
		9 947 940	7 406 503
Less:			
Impairment on debtors and other debit balances	16-2	(1 326 350)	(1 326 350)
		8 621 590	6 080 153

12. Cash and cash equivalent

	<u>30 September 2023</u>	<u>31 December 2022</u>	<u>30 September 2022</u>
Banks - Current account	1 263 132	1 366 839	536 323
Cash on hand	21 733	4 588	-
Treasury bills – due within 90 days	158 523	-	1 815
Cash and cash equivalent in cash flows statement	1 443 388	1 371 427	538 138

13. Bank credit facilities

	<u>30 September 2023</u>	<u>31 December 2022</u>
Bank facilities	18 019 972	17 841 326
	18 019 972	17 841 326

*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%: 4.5% in addition to the LIBOR rate.

Maridive and Oil Services Company**An Egyptian Joint Stock Company – Free Zone Company****Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(Continued)****(All amounts are in US dollar unless otherwise stated)****14. Long term loans**

Outstanding loans on September 30, 2023, with a balance of \$ 220 212 700 in loans granted to the company from Abu Dhabi Islamic Bank - UAE (Co-financing), HSBC Bank and the European Bank for Reconstruction and Development and the Commercial Bank Wafa, which were granted in exchange for mortgaging some marine units.

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

	30 September 2023	31 December 2022
Current portion	9 803 410	4 841 087
Non - Current portion	210 409 290	215 565 799
	220 212 700	220 406 886

15. Creditors and other credit balances

	Notes	30 September 2023	31 December 2022
Tax Authority- payroll tax		879 729	391 506
Tax Authority- withholding tax		21 612	20 531
Accrued expenses		32 731 362	17 985 765
Lease liabilities – Current portion	8-1	3 368 863	2 944 107
Trade receivables – advance payments		5 249 578	27 937 087
Social Insurance Authority		789 843	1 043 166
Others		718 616	474 113
		43 759 603	50 796 275

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 30/9/2023
Provision for contingent liabilities	6 528 825	2 945	(62 699)	6 469 071
	6 528 825	2 945	(62 699)	6 469 071

*Provisions represent probable but uncertain liabilities with unspecified timing and value in connection with the Company's activities, management reviews these provisions periodically and adjusts the value of the provision according to the latest developments, discussions and agreements.

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.

Maridive and Oil Services Company**An Egyptian Joint Stock Company – Free Zone Company****Notes to the condensed separate interim financial statements for the period ended 30 September 2023
(Continued)****(All amounts are in US dollar unless otherwise stated)****16-2 Impairment on assets**

	Balance at 01/01/2023	Charged to statement of profit or loss	Used during the period	Balance at 30/9/2023
Impairment on PP&E	1 172 920	-	-	1 172 920
Impairment on trade receivables	47 286 146	333 385	3 065 401	44 554 130
Impairment on debtors and other debit balances	1 326 350	-	-	1 326 350
Impairment on investments in subsidiary	170 826 600	-	-	170 826 600
	220 612 016	333 385	3 065 401	217 880 000

17. 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 1,000,000,000 (one billion US dollar) and approved the increase in the commercial register on December 16, 2019 under no. 6501 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.

18- 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 period, as well as the balances related to them on the date of the financial position on September 30, 2023 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 period		30/9/2023	31/12/2022
			Debit	Credit		
18 - 1 Due from subsidiaries' parties						
Ocean Marine F.Z.C	Subsidiary	Operating revenue	33 383 731	43 928 751	20 590 093	31 135 113
Valentine Maritime Limited	Subsidiary	Current	6 366 005	6 447 033	1 957 768	2 038 796
Maritime Offshore Oil Services S.A.E.	Subsidiary	Marine unit rental	15 810 398	16 194 941	230 209	614 752
Maridive Tunisia	Subsidiary	Current	481 249	500 100	1 554 634	1 573 485
Maritime Nigeria	Subsidiary	Current	80	13 665	19 031	32 616
					24 351 735	35 394 762
18 - 2 Due to related parties						
	Type of Relationship	Nature of Transactions	Volume of transactions during the period		30/9/2023	31/12/2022
			Debit	Credit		
National Transport and Overseas Services NOSCO	Affiliated	Current	-	-	9 506	9 506
Loan from Board of directors - Maridive	Board of directors	Current	217 306	179 154	19 440 938	19 479 090
Al Rawda for agriculture development	Affiliated	Current	-	-	903	903
					19 451 347	19 489 499
18 - 3 Due to subsidiaries' companies						
Maridive Offshore Projects S.A.E.	Subsidiary	Operating revenue Consultations Diving services	7 886 170	11 690 035	28 748 744	24 944 879
					28 748 744	24 944 879

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19. Finance Cost (Net)

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Credit interest	32 697	2 279	21 024	809
Total finance income	32 697	2279	21 024	809
Debit interest	(16 946 264)	(12 192 579)	(6 064 156)	(5 030 205)
Total finance cost	(16 946 264)	(12 192 579)	(6 064 156)	(5 030 205)
Foreign currency Translation differences	1 522 779	5 447 956	428 538	769 029
Foreign currency translation differences	1 522 779	5 447 956	428 538	769 029
Net finance cost	(15 390 788)	(6 742 344)	(5 614 594)	(4 260 367)

20. 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 nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Net profit/ (loss) for the period (U.S dollar)	309	(14 153 226)	329 074	(6 830 489)
Number of outstanding shares during the period	470 255 740	470 255 740	470 255 740	470 255 740
Basic & diluted profit/ (loss) per share for the period (US dollar /share)	0.000001	(0.030097)	0.000700	(0.014525)

21. Contingent liabilities

	Total commitment 30/9/2023	Commitment performed 30/9/2023	Outstanding commitment 30/9/2023	Outstanding commitment 31/12/2022
Letters of guarantee	4 115 937	1 444 409	2 671 528	2 589 610
	4 115 937	1 444 409	2 671 528	2 589 610

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22. 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.

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 September 2023	31 December 2022
Trade receivables	10	18 103 637	13 712 048
Debtors and other debit balances	11	2 919 850	3 858 958
Due from subsidiaries	18-1	24 351 735	35 394 762
Cash at bank	12	1 421 655	1 366 839
		46 796 877	54 332 607

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.

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 (All amounts are in US dollar unless otherwise stated)

Cash and cash equivalents

The Company held cash and cash equivalents of USD 1 421 655 at September 30, 2023 (December 31, 2022:USD 1 366 839), 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 September 30, 2023.

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

	Book value	12 months or less	1-2 years	2-5 years
September 30, 2023				
Banks - credit facilities	18 019 972	18 019 972	-	-
Long Term Loans	220 212 700	9 803 410	210 409 290	-
Suppliers, notes payable & other credit balances	46 866 518	46 866 518	-	-
Lease Liability	5 163 161	3 368 863	1 794 298	-
Due to related parties and subsidiaries	48 200 091	48 200 091	-	-
	338 462 442	126 258 854	212 203 588	-
December 31, 2022				
Banks - credit facilities	17 841 326	17 841 326	-	-
Loans	220 406 886	4 841 087	215 565 799	-
Suppliers, notes payable & other credit balances	36 449 002	36 449 002	-	-
Lease Liability	6 888 558	2 944 107	3 944 451	-
Due to related parties and subsidiaries	44 434 378	44 434 378	-	-
	326 020 150	106 509 900	219 510 250	-

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.

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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.