

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 September 2023
And limited review report

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

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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 September 30, 2023, the condensed consolidated 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 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. (15) 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 September 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 September 30 2023, and the company did not obtain a waiver letter from the debt covenants for that from the lending banks until September 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".

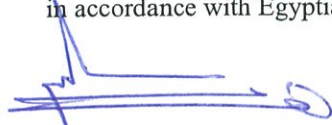


Hazem Hassan

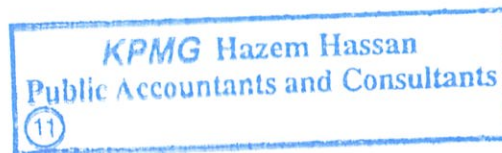
- C- The company did not comply with the requirements of Egyptian Accounting Standard No. (47) "Financial Instruments" which should be applied for the financial periods beginning on or after January 1, 2021. We were not able to perform any alternative procedures to verify the potential financial impact 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 September 30, 2023, and its consolidated financial performance and its consolidated 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, December 14, 2023

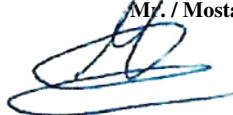
Maridive & Oil Services Company - Maridive
An Egyptian Joint Stock Company - (Free Zone Company)
Condensed consolidated interim statement of financial position
(All amounts are in United States Dollar)

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	<u>Note</u>	<u>30/9/2023</u>	<u>31/12/2022</u>
Assets			
Non-current assets			
Property, plant and equipment (Net)	4	517 223 099	515 711 975
Projects under construction	5	10 147 769	7 249 567
Intangible assets	6	540 489	558 889
Goodwill	7	5 131 275	5 131 275
Investments in joint venture	8	133 335	-
Total non-current assets		<u>533 175 967</u>	<u>528 651 706</u>
Current assets			
Inventories	12	16 873 387	17 100 353
Trade receivables	9	58 414 866	53 827 435
Debtors & other debit balances	10	52 738 217	43 407 894
Due from related parties	18-1	5 578 065	181 130
Cash and cash equivalent	11	14 018 077	10 496 097
Total current assets		<u>147 622 612</u>	<u>125 012 909</u>
Total assets		<u>680 798 579</u>	<u>653 664 615</u>
Equity			
Issued and paid-up capital	19	188 102 296	188 102 296
Reserves		113 092 762	113 066 301
Consolidation reserve	20	(2 556 743)	(2 556 743)
Retained losses		(351 284 138)	(380 056 866)
Total deficit in equity attributable to holders of the parent		<u>(52 645 823)</u>	<u>(81 445 012)</u>
Non-controlling interest	21	8 645 481	8 147 471
Total deficit in equity		<u>(44 000 342)</u>	<u>(73 297 541)</u>
Non-current liabilities			
Long-term loans	15	329 982 773	307 784 291
Lease liabilities	13	10 783 978	11 088 291
Total non-current liabilities		<u>340 766 751</u>	<u>318 872 582</u>
Current liabilities			
Provisions	17-1	50 017 327	50 013 165
Bank credit facilities	14	44 160 003	47 010 295
Long term loans - current portion	15	48 921 619	70 811 195
Trade and notes payable		82 311 107	95 507 861
Creditors & other credit balances	16	129 124 502	115 211 294
Due to related parties	18-2	29 497 612	29 535 764
Total current liabilities		<u>384 032 170</u>	<u>408 089 574</u>
Total liabilities		<u>724 798 921</u>	<u>726 962 156</u>
Total liabilities and shareholder's equity		<u>680 798 579</u>	<u>653 664 615</u>

The notes on pages 6 to 26 are an integral part of these condensed consolidated interim financial statements.


Chief Financial Officer
 Mr. / Mostafa Mohamed



Managing Director
 Eng. Tarek Farid



Chairman
 Mrs. Shahira Zeid



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

	Note	For the nine-months period ended 30 September		For the three-months period ended 30 September	
		2023	2022	2023	2022
Operating revenues	3	132 140 797	76 329 950	45 725 144	29 991 402
Operating cost	3	(67 084 923)	(80 675 044)	(25 886 951)	(28 506 387)
Gross profit / (loss)		65 055 874	(4 345 094)	19 838 193	1 485 015
Other revenues		3 682 081	3 025 252	3 074 831	1 578 155
Administrative expenses		(12 094 947)	(8 622 034)	(3 761 776)	(3 865 072)
Other expenses		(6 853 627)	(6 938 479)	(606 046)	(3 746 244)
Finance cost (Net)		(19 172 766)	(10 859 833)	(6 728 188)	(7 260 100)
Net profit / (loss) for the period before income tax		30 616 615	(27 740 188)	11 817 014	(11 808 246)
Income tax for the period		(1 388 553)	(1 350 034)	(289 266)	(1 279 604)
Net profit / (loss) for the period		29 228 062	(29 090 222)	11 527 748	(13 087 850)
Attributable to:					
Equity holders of the parent		28 772 728	(27 950 226)	11 347 353	(12 877 786)
Non-controlling interests		455 334	(1 139 996)	180 395	(210 064)
		29 228 062	(29 090 222)	11 527 748	(13 087 850)
Basic and diluted profit / (loss) per share for the period (US Dollar / Share)	22	0.061	(0.059)	0.024	(0.027)

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

	For the nine-months period ended 30 September		For the three-months period ended 30 September	
	2023	2022	2023	2022
Net profit / (loss) for the period	29 228 062	(29 090 222)	11 527 748	(13 087 850)
Other comprehensive income				
Foreign operations - foreign exchange translation differences	69 137	105 743	17 380	(49 875)
Total comprehensive income for the period	29 297 199	(28 984 479)	11 545 128	(13 137 725)
Attributable to:				
Equity holders of the parent	28 799 189	(27 899 279)	11 355 890	(12 903 011)
Non - controlling interests	498 010	(1 085 200)	189 238	(234 714)
	29 297 199	(28 984 479)	11 545 128	(13 137 725)

The notes on pages 6 to 26 are an integral part of these condensed consolidated interim financial statements.

Maridive & Oil Services Company - Maridive
 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 September 2023

	Issued and paid-up capital	Private reserve	Legal reserve	Currency Translation Reserve	Total reserves	Consolidation Reserve	Retained losses	Net (loss) / profit for the year / period	Total deficit in Equity for the company	Non-controlling interests	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	-	-	-	-	-	-	-	(27 950 226)	(27 950 226)	(1 139 996)	(29 090 222)
Net loss for the period from 1 January 2022 to 30 september 2022	-	-	-	-	-	-	-	-	50 947	54 796	105 743
Other comprehensive income	-	-	-	50 947	50 947	-	-	(27 950 226)	(27 899 279)	(1 085 200)	(28 984 479)
Total comprehensive income for the period	-	-	-	50 947	50 947	-	-	27 950 226	(27 899 279)	(1 085 200)	(28 984 479)
Transferred to retained losses	-	-	-	-	-	-	(27 950 226)	-	-	-	-
Balance at 30 september 2022	188 102 296	76 877 138	36 248 932	78 581	113 204 651	(2 556 743)	(302 665 210)	-	(3 915 006)	8 223 481	4 308 475
Comprehensive income	-	-	-	-	-	-	-	(77 391 656)	(77 391 656)	139 911	(77 251 745)
Net loss for the period from 1 October 2022 to 31 December 2022	-	-	-	-	-	-	-	-	(138 350)	(152 379)	(290 729)
Other comprehensive income	-	-	-	(138 350)	(138 350)	-	-	(77 391 656)	(77 530 006)	(12 468)	(77 542 474)
Total comprehensive income for the period	-	-	-	(138 350)	(138 350)	-	-	77 391 656	-	-	-
Transferred to retained losses	-	-	-	-	-	-	(77 391 656)	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-	-	-	(63 542)	(63 542)
Deficit 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)
Comprehensive income	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)
Net profit for the period from 1 January 2023 to 30 september 2023	-	-	-	-	-	-	-	28 772 728	28 772 728	455 334	29 228 062
Other comprehensive income	-	-	-	26 461	26 461	-	-	-	26 461	42 676	69 137
Total comprehensive income for the period	-	-	-	26 461	26 461	-	-	28 772 728	28 799 189	498 010	29 297 199
Transferred to retained losses	-	-	-	-	-	-	28 772 728	(28 772 728)	-	-	-
Deficit at 30 september 2023	188 102 296	76 877 138	36 248 932	(33 308)	113 092 762	(2 556 743)	(351 284 138)	-	(52 645 823)	8 645 481	(44 000 342)

The notes on pages 6 to 26 are an integral part of these condensed consolidated interim financial statements.

Maridive & Oil Services Company - Maridive
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 30/9/2023	For the period from 1/1/2022 to 30/9/2022
Cash flows from operating activities:			
Net profit / (loss) for the period after income tax		29 228 062	(29 090 222)
Adjustments :			
- Depreciation of property, plant and equipment	4	12 448 188	24 402 753
- Amortization of intangible assets		148 562	34 211
- Finance costs		19 172 766	10 859 833
- Income Tax for the period		1 388 553	1 350 034
- (Gain) / loss from sale of PP&E		(352 724)	2 261 086
		<u>62 033 407</u>	<u>9 817 695</u>
Changes in:			
- Inventories		226 966	142 404
- Trade receivables & debtors other debit balances		(13 917 754)	(66 490 140)
- Due from related parties		(5 530 270)	53 972
- Trade and notes payable		(13 196 754)	51 453 361
- Creditors and other credit balances		1 144 375	8 633 621
- Due to related parties		(38 152)	6 753 458
- Provisions		4 162	(1 817 289)
		<u>30 725 980</u>	<u>8 547 082</u>
Cash generated from operating activities		30 725 980	8 547 082
- Interest paid		(3 842 789)	(10 269 612)
- Income tax paid		(1 681 960)	-
		<u>25 201 231</u>	<u>(1 722 530)</u>
Net cash from / (used in) operating activities		25 201 231	(1 722 530)
Cash flows from investing activities:			
Payments for purchase of PP&E and projects under construction		(16 880 613)	(3 065 129)
Proceeds from sale of PP&E		375 823	1 338 592
Payments for purchase of intangible assets		(130 162)	(25 434)
		<u>(16 634 952)</u>	<u>(1 751 971)</u>
Net cash used in investing activities		(16 634 952)	(1 751 971)
Cash flows from financing activities:			
Proceeds / (Payments) for loan installments		308 906	(1 765 334)
(Payments) / proceeds from bank credit facilities		(2 850 292)	7 807 730
Payments for lease liabilities		(2 572 050)	(1 416 394)
		<u>(5 113 436)</u>	<u>4 626 002</u>
Net cash (used in) / from financing activities		(5 113 436)	4 626 002
Net increase in cash and cash equivalents during the period			
Foreign exchange translation differences		69 137	105 743
Cash and cash equivalents at January 1	11	10 496 097	5 782 632
		<u>14 018 077</u>	<u>7 039 876</u>
Cash and cash equivalents at September 30	11	14 018 077	7 039 876

The notes on pages 6 to 26 are an integral part of these condensed consolidated interim financial statements.

**Maridive & Oil Services Company - Maridive
An Egyptian Joint Stock Company – (Free Zone Company)
Notes to the condensed consolidated interim financial statements for the period ended
September 30, 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 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 condensed consolidated 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 11 December 2023.

Maridive & Oil Services Company - Maridive

An Egyptian Joint Stock Company – (Free Zone Company)

Notes to the condensed consolidated interim financial statements for the period ended September 30, 2023

(Continued)

(All amounts are in US dollar unless otherwise stated)

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 (17-1) : Provisions

Note (17-2) : 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.

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

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.

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 30 September, 2023
Valentine Maritime Ltd	Subsidiary	%100
Maritime offshore oil services	Subsidiary	%99.46
Maridive offshore projects	Subsidiary	%99.98
Ocean Marine	Subsidiary	%75

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

- Valentine Maritime Limited and its subsidiaries.
- Maritime 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:

–

Maridive & Oil Services Company - Maridive

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Notes to the condensed consolidated interim financial statements for the period ended September 30, 2023

(Continued)

(All amounts are in US dollar unless otherwise stated)

- 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 & Oil Services Company - Maridive

An Egyptian Joint Stock Company – (Free Zone Company)

Notes to the condensed consolidated interim financial statements for the period ended September 30, 2023

(Continued)

(All amounts are in US dollar unless otherwise stated)

- 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 owning Marine Units & renting Marine Units in addition to marketing Marine projects.

Maridive & Oil Services Company - Maridive

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(All amounts are in US dollar unless otherwise stated)

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.
- 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 nine-months period ended September 30		For the three-months period ended September 30	
	2023	2022	2023	2022
Marine units' rental income	46 717 832	29 555 499	14 373 589	6 530 916
Revenues from projects	85 422 965	46 774 451	31 351 555	23 460 486
	132 140 797	76 329 950	45 725 144	29 991 402

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

Revenues

	For the nine-months period ended September 30		For the three-months period ended September 30	
	2023	2022	2023	2022
Total marine units' rental	59 241 260	41 955 849	19 438 856	12 934 211
Less: rental income from marine units between group companies	(12 523 428)	(12 400 350)	(5 065 267)	(6 403 295)
	46 717 832	29 555 499	14 373 589	6 530 916
Total revenue from projects	89 152 830	50 473 030	32 584 000	25 137 377
Less: revenue from projects between group companies	(3 729 865)	(3 698 579)	(1 232 445)	(1 676 891)
	85 422 965	46 774 451	31 351 555	23 460 486
Total segments revenue	132 140 797	76 329 950	45 725 144	29 991 402

C- Operating cost

	For the nine-months period ended September 30		For the three-months period ended September 30	
	2023	2022	2023	2022
Total cost of marine units' rental	37 056 081	46 510 025	12 980 464	13 908 951
Less: rental income from marine units between group companies	(3 833 584)	(10 378 205)	(1 323 389)	(3 189 733)
	33 222 497	36 131 820	11 657 075	10 719 218
Total projects cost	46 889 078	50 687 195	19 403 664	22 757 367
Less: cost from projects between group companies	(13 026 652)	(6 143 971)	(5 173 788)	(4 970 198)
	33 862 426	44 543 224	14 229 876	17 787 169
Total segments cost	67 084 923	80 675 044	25 886 951	28 506 387

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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 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	-	-	-	11 212 640	1 839 676	812 517	39 539	49 333	28 706	13 982 411
Disposals during the period	-	-	-	-	-	-	(1 749 112)	-	-	(1 749 112)
Cost at 30 September 2023	99 180 532	10 344 230	270 134	852 510 308	54 723 478	22 672 361	75 614 889	1 436 828	8 614 328	1 125 367 088
Depreciation and impairment loss	31 851 535	936 836	-	424 735 733	41 097 895	16 203 358	71 968 384	1 386 755	8 375 161	596 555 657
Accumulated depreciation and impairment at 1 January 2022	3 690 562	468 418	-	21 015 778	3 825 517	976 854	3 560 878	740	159 398	33 698 145
Depreciation for the year	-	-	-	(27 459 585)	(2 112 416)	-	(3 038 095)	-	(221 892)	(32 831 988)
Disposals Accumulated Depreciation	-	-	-	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 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	2 766 489	351 313	-	4 593 767	2 883 406	732 231	1 047 111	1 644	72 227	12 448 188
Disposals Accumulated Depreciation	-	-	-	-	-	-	(1 726 013)	-	-	(1 726 013)
Accumulated depreciation and impairment at 30 September 2023	38 308 586	1 756 567	-	422 885 693	45 694 402	17 912 443	71 812 265	1 389 139	8 384 894	608 143 989
Net carrying amounts at 30 September 2023	60 871 946	8 587 663	270 134	429 624 615	9 029 076	4 759 918	3 802 624	47 689	229 434	517 223 099
Net carrying amounts at 30 September 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

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* 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

	<u>30 September 2023</u>	<u>31 December 2022</u>
Advance payments for purchases of PP&E	10 147 769	7 249 567
	<u>10 147 769</u>	<u>7 249 567</u>

Projects under construction consist of:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Marine Units	6 425 993	5 848 191
Marine Refurbishment	2 739 374	720 493
Buildings and Improvements	325 903	24 384
Information Technology programs	656 499	656 499
	<u>10 147 769</u>	<u>7 249 567</u>

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6. Intangible assets

	<u>30 September 2023</u>	<u>31 December 2022</u>
Cost at 1 January	1 599 355	1 069 511
Additions during the period / year	130 162	529 844
Cost at the end of the period / year	1 729 517	1 599 355
Accumulated amortization at 1 January	(1 040 466)	(979 982)
Amortization of the period / year	(148 562)	(60 484)
Accumulated amortization at the end of the period / year	(1 189 028)	(1 040 466)
Carrying amounts at the end of the period / year	540 489	558 889

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

7. Goodwill

	<u>30 September 2023</u>	<u>31 December 2022</u>
Valentine Maritime Ltd	4 709 384	4 709 384
Maritime 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. Investments in joint venture

	Legal structure	Share percentage %	Shares No.	Nominal Value per shares (USD)	<u>30/9/2023</u>	<u>31/12/2022</u>
Al-Momaiza Marine Limited Company	Limited liability company	50 %	500	266.67	133 335	-
					133 335	-

- The investment is representing Maridive Offshore Projects company – An Egyptian Joint Stock Company “Free Zone Company” (Subsidiary Company) shares percentage in Al-Momaiza Marine Limited Company by 50% from its authorized capital.
- The Company’s authorized capital amounted to SAR 1 000 000 (Million Saudi Arabian Riyal) divided over 1000 shares (One Thousand shares) at a par value of SAR 1000 each, as follows:

Translated "Originally issued in Arabic"

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Shareholders	Nationality	Par Value Per share	No. of Shares	Percentage of Participation %	Issued and paid up Capital
Maridive Offshore Projects	Egypt		500	50	500 000
Isam Kabbani & Partners for Construction & Maintenance Co. LTD	Saudi Arabia		500	50	500 000
			1 000	100	1 000 000

Al- Momaiza Marine Limited company's purpose is representing in providing the maritime technical services in accordance with the regulations followed and after obtaining the necessary licenses from the competent authorities, if any. These services include:

- Repair and maintenance of engines, including the engines of marine units and trains, except cars.
- Repair and routine maintenance of marine units.
- Repair and maintenance of entertainment boats.
- Repair, maintenance, and overhaul of military marine units.
- Repair, maintenance, and overhaul of parts of military systems for military marine units.
- Repair and maintenance of fiberglass products

9. Trade receivables

	Note	30 September 2023	31 December 2022
Trade receivables		129 465 161	125 574 247
Less:			
Impairment on trade receivables	17 - 2	(71 050 295)	(71 746 812)
		58 414 866	53 827 435

10. Debtors and other debit balances

	Note	30 September 2023	31 December 2022
Accrued revenues*		39 770 064	30 596 923
Suppliers advance payments		8 568 733	3 524 960
Letter of guarantees (Covered Part)	23	5 730 593	8 757 756
Employee loans & custodies		2 205 013	1 725 320
Prepaid expenses		838 883	820 536
Deposits with others		537 908	537 858
Insurance claims		752 087	82 844
Work in progress		4 226 332	3 325 961
Others debit balances		22 351 523	21 818 562
		84 981 136	71 190 720
Less:			
Impairment on debtors and other debit balances	17 - 2	(32 242 919)	(27 782 826)
		52 738 217	43 407 894

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

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 (Continued)
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11. Cash and cash equivalent

	<u>30 September 2023</u>	<u>31 December 2022</u>	<u>30 September 2022</u>
Banks - Current account	13 701 672	10 324 125	6 348 475
Bank time deposits	288 988	162 701	255 356
Cash on hand	27 417	9 271	436 045
Cash and cash equivalent in cash flows statement	<u>14 018 077</u>	<u>10 496 097</u>	<u>7 039 876</u>

12. Inventories

	<u>30 September 2023</u>	<u>31 December 2022</u>
Spare parts and consumable materials	15 189 649	15 119 918
Fuel in the marine units	1 683 738	1 980 435
	<u>16 873 387</u>	<u>17 100 353</u>

13. Lease liabilities

	<u>30 September 2023</u>	<u>31 December 2022</u>
Lease liability- current portion (included in creditors & other credit balances) - note (16)	4 215 516	3 944 451
Lease liability -non-current portion	10 783 978	11 088 291
	<u>14 999 494</u>	<u>15 032 742</u>

The payment of lease liability is as follow:

Less than one year	5 318 664	5 049 450
More than one year and less than two years	3 051 944	4 274 610
More than two years	15 114 659	16 196 339
Total lease liability	<u>23 485 267</u>	<u>25 520 399</u>
Less: deferred interest expenses	(8 485 773)	(10 487 657)
Present value of lease obligation	<u>14 999 494</u>	<u>15 032 742</u>

The right of use assets of lease contracts represented as follows:

- 1- Buildings that have been included under the category of buildings and improvements in PP&E, which are commercial units represented in the headquarters of the group companies.
- 2- Machines that have been included in the category of machinery and equipment in PP&E, which are hydraulic equipment.
- 3- A marine unit that has been included in the category of marine units in PP&E, which is a propellant vessel to mooring oil tankers in ports.
- 4- Right of use assets listed among the PP&E, represented in the lease of Land No. (352MR2A) in Abu Dhabi Industrial Area (2) of 168,002.65 meter squared for 30 thirty years.

All these contracts for a period from two to 30 years and the requirements of Egyptian Accounting Standard No. (49) on the recognition and measurement of lease contracts was applied and the financial obligations of lease liabilities were calculated using discounting rates from 32% to 88%.

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14. Bank credit facilities

		<u>30 September 2023</u>	<u>31 December 2022</u>		
	Bank facilities*	44 160 003	47 010 295		
		<u>44 160 003</u>	<u>47 010 295</u>		
	Borrowed Company	Credit Facilities Limit	Used / (Settled) During the period	Balance at 30 September 2023	Balance at 31 December 2022
QNB ALAHLI	Maridive Offshore Projects	5 200 000	166 472	5 204 726	5 038 254
BDC – Banque Du Caire	Maridive Offshore Projects	21 300 000	(488 803)	1 299 376	1 788 179
ADIB – Abu Dhabi Islamic Bank	Maridive Offshore Projects	-	(2 836 460)	-	2 836 460
National Bank of Fujairah	Valentine Maritime Ltd	19 635 373	203 278	19 635 373	19 432 095
AIB – Arab International Bank	Maridive & Oil Services	12 265 372	384 557	11 951 451	11 566 894
QNB ALAHLI	Maridive	5 000 000	86 862	5 461 201	5 374 339
Emirates NBD – Emirates National Bank of Dubai	Maridive	323 625	(127 408)	469 080	596 488
NBE – National Bank of Egypt	Maridive	5 000 000	(168 774)	68 643	237 417
Other – Maridive Offshore Projects	Maridive Offshore Projects	-	(73 426)	555	73 981
Other – Maridive	Maridive	-	3 410	69 598	66 188
			<u>(2 850 292)</u>	<u>44 160 003</u>	<u>47 010 295</u>

*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.

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15. Long term loans

The outstanding loans as of September 30, 2023, amounting to 378 904 392 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:

	30/9/2023		31/12/2022	
	Loans installments short-term	Loans installments Long-term	Loans installments short-term	Loans installments Long-term
Long-term loan installments due within a year – current portion	48 921 619	70 811 195		
Long-term loan installments due in more than one year – Non-current portion	329 982 773	307 784 291		
	392 904 378	378 595 486		

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

	Provided Company	Principal Loan	Loans installments short-term	Loans installments Long-term	30/9/2023	31/12/2022
1- National Bank of Fujairah	Valentine Maritime	59 000 000	3 655 004	17 224 258	20 879 262	21 120 981
2- Abu Dhabi Islamic Bank	Valentine Maritime	115 000 000	11 375 000	44 407 408	55 782 408	56 150 000
3- Ajman Bank	Valentine Maritime	5 460 000	127 116	-	127 116	447 063
4- Arab African International Bank	Valentine Maritime	40 000 000	4 285 714	11 786 953	16 072 667	14 285 712
5- Banque Misr	Valentine Maritime	15 400 000	7 578 625	-	7 578 625	7 578 625
6- HSBC - Egypt	Maridive	19 000 000	441 258	-	441 258	702 257
7- Abu Dhabi Islamic Bank UAE	Maridive	192 161 178	7 018 400	185 142 778	192 161 178	192 161 180
8- The European Bank for Reconstruction and Development (EBRD)	Maridive	27 208 998	3 473 597	26 227 398	29 700 995	30 450 994
9- Attijariwafa Bank	Maridive	3 500 000	434 808	1 652 538	2 087 346	2 444 022
10- ADCB - Abu Dhabi Commercial Bank	Ocean Marine	80 610 625	4 855 650	45 617 139	50 472 789	51 372 789
11- Arab International Bank AIB	Maridive Offshore Projects	2 134 522	2 056 174	78 348	2 134 522	78 348
12-Other Valentine Maritime	Valentine Maritime	5 142 469	5 142 469	-	5 142 469	6 521 363
13-Other Maridive Tunis	Maridive Tunis	995 575	42 463	459 377	501 841	637 171
Total Loans			50 486 278	332 596 197	383 082 476	383 950 505
Deduct:						
Cost of acquiring Loan			(1 564 653)	(2 613 431)	(4 178 084)	(5 355 019)
			48 921 625	329 982 766	378 904 392	378 595 486

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 Notes to the condensed consolidated interim financial statements for the period ended September 30, 2023
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16. Creditors and other credit balances

	<u>Notes</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Tax Authority- payroll tax		2 181 355	2 012 554
Tax Authority- withholding tax		46 045	181 680
Tax Authority-VAT		955 985	-
Accrued expenses		102 715 575	73 562 903
Lease liabilities – Current portion	13	4 215 516	3 944 451
Income tax-subsiidiaries and foreign branches		8 144 446	2 236 205
Trade receivables – advance payments		8 233 187	28 192 087
Other		2 632 393	5 081 414
		<u>129 124 502</u>	<u>115 211 294</u>

17. Provisions and impairment on assets**17-1 provisions**

	<u>Balance at 01/01/2023</u>	<u>Charged to statement of profit or loss</u>	<u>Used during the period</u>	<u>Balance at 30/9/2023</u>
Provision for contingent liabilities*	50 013 165	406 807	(402 645)	50 017 327
	<u>50 013 165</u>	<u>406 807</u>	<u>(402 645)</u>	<u>50 017 327</u>

* The legal claims provisions are the amount of claims from unsettled commitments and the amount in respect of the Company's activities. The management reviews these provisions annually and adjusts the amount of the provision according to the latest updates, discussions and agreements.

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

17-2 Impairments on assets

	<u>Balance at 01/01/2023</u>	<u>Charged during the year</u>	<u>Used during the year</u>	<u>Balance at 30/9/2023</u>
Impairment on PP&E	150 835 787	-	-	150 835 787
Impairment on trade receivables	71 746 812	2 368 884	(3 065 401)	71 050 295
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
	<u>254 072 692</u>	<u>6 828 977</u>	<u>(3 065 401)</u>	<u>257 836 268</u>

Notes to the condensed consolidated interim financial statements for the period ended 30 september 2023 (Continued)
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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 year, as well as the balances related to them on the date of the financial position on september 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 period		31/12/2022
			Debit	Credit	
18-1 Due from related parties					
NAZCO	Affiliate	Operating revenue	-	84 030	84 030
Valentine Maritime - Qatar	Affiliate	Current	-	97 100	97 100
Al-Momaiza Marine limited company- Saudi Arabia	Affiliate	Current	5 396 935	-	-
				5 578 065	181 130
18-2 Due to related parties					
National Transport and Overseas Services NOSCO	Affiliate	Current	-	9 506	9 506
Loan from Board of directors - Maridive	Board of directors	Current	217 306	179 154	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
				29 497 612	29 535 764

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19. 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.

20. Consolidation reserve

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
Maridive Offshore Projects (S.A.E)	2 556 743	2 556 743
	<u>2 556 743</u>	<u>2 556 743</u>

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.

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21. Non-controlling interest

Non-controlling interest represents, 0.54% of Maridive 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.

	<u>30 September 2023</u>	<u>31 December 2022</u>
Non-controlling interest in Valentine Maritime Ltd	1 409 498	1 445 033
Non-controlling interest in Maridive Offshore Oil Services	35 076	33 898
Non-controlling interest in Maridive Tunisia	1 066 621	801 524
Non-controlling interest in Maridive Offshore Projects	21 449	12 893
Non-controlling interest in Ocean Marine Co	6 112 837	5 854 123
	<u>8 645 481</u>	<u>8 147 471</u>

22. 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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net profit / (loss) for the period (U.S dollar)	28 772 728	(27 950 226)	11 347 353	(12 877 786)
Less:				
Employee's dividends	-	-	-	-
Bord of director's remunerations	-	-	-	-
Net profit / (loss) for the period (U.S dollar)	28 772 728	(27 950 226)	11 347 353	(12 877 786)
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)	<u>0.061</u>	<u>(0.059)</u>	<u>0.024</u>	<u>(0.027)</u>

Earnings per share for the period calculated before the deduction of employees' dividends or Board of directors' remuneration, until the approval of the General Assembly Meeting of the Company.

23. Contingent liabilities

	<u>Total commitment 30/9/2023</u>	<u>Commitment performed 30/9/2023</u>	<u>Outstanding commitment 30/9/2023</u>	<u>Outstanding commitment 31/12/2022</u>
Letters of guarantee	12 214 706	5 730 593	6 484 113	18 015 892
	<u>12 214 706</u>	<u>5 730 593</u>	<u>6 484 113</u>	<u>18 015 892</u>

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24. 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 judgement 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

25. Cash flow statement

The following significant non-cash transactions have been eliminated when preparing the cash flow statement, as these transactions do not generate cash flows, as follows:

	Change value	Non-cash transactions	Amounts according to cash flow statement
Investments in joint venture	(133 335)	133 335	-
Due from related parties	(5 396 935)	(133 335)	(5 530 270)

26. 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.

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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	9	58 414 866	53 827 435
Debtors and other debit balances	10	43 330 601	39 062 398
Due from related parties	18-1	5 578 065	181 130
Cash at bank	11	13 990 660	10 486 826
		121 314 192	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 13 990 660 at September 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 September 30, 2023.

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

September 30, 2023	Book value	12 months or less	1-2 Years	2-5 years
Banks - credit facilities	44 160 003	44 160 003	-	-
Long Term Loans	378 904 392	48 921 619	329 982 773	-
Suppliers, notes payable & other credit balances	207 220 093	207 220 093	-	-
Lease Liability	14 999 494	4 215 516	10 783 978	-
Due to related parties	29 497 612	29 497 612	-	-
	674 781 594	334 014 843	340 766 751	-

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.