



CITADEL CAPITAL COMPANY S.A.E.  
LIMITED REVIEW REPORT AND INTERIM  
CONDENSED SEPARATE FINANCIAL  
STATEMENTS FOR THE NINE MONTHS  
PERIOD ENDED 30 SEPTEMBER 2022

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## *Limited review report on the interim condensed separate financial statements*

*To the Board of Directors of Citadel Capital Company (S.A.E.)*

### *Introduction*

We have conducted a limited review for the accompanying interim condensed separate statement of financial position of Citadel Capital Company (S.A.E.) (the "Company") as of 30 September 2022 and the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate financial statements in accordance with the Egyptian Accounting Standard 30 "Interim financial reporting", and our responsibility is to express a conclusion on these interim condensed separate financial statements based on our limited review.

### *Scope of the limited review*

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited 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 on these interim condensed separate financial statements.

### *Conclusion*

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim financial reporting".



CITADEL CAPITAL COMPANY S.A.E.  
 INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022



(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed separate statement of financial position - As of 30 September 2022

	Note	30 September 2022	31 December 2021
<b>Non-current assets</b>			
Fixed assets	3(a)	16,677	23,610
Investments in subsidiaries		5,552,527	5,540,052
Financial assets at fair value through other comprehensive income		7,093	7,093
Payments under investments		2,609,459	2,609,238
Loans to subsidiaries	2(a)	221,798	175,995
<b>Total non-current assets</b>		<b>8,407,554</b>	<b>8,355,988</b>
<b>Current assets</b>			
Loans to subsidiaries	2(a)	1,289,415	1,473,796
Other debit balances		8,193	10,385
Due from related parties	6(a)	4,331,966	2,244,387
Cash and bank balances	2(b)	15,841	2,341
<b>Total current assets</b>		<b>5,645,415</b>	<b>3,730,909</b>
<b>Total assets</b>		<b>14,052,969</b>	<b>12,086,897</b>
<b>Equity</b>			
Paid up capital		9,100,000	9,100,000
Reserves		88,638	88,638
Accumulated losses		(6,513,939)	(5,022,318)
<b>Net Equity</b>		<b>2,674,699</b>	<b>4,166,320</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,264	824
<b>Total Non-current liabilities</b>		<b>1,264</b>	<b>824</b>
<b>Current liabilities</b>			
Provisions		245,465	230,734
Creditors and other credit balances	2(d)	1,049,792	838,765
Due to related parties	6(b)	1,451,569	1,179,273
Loans	2(c)	8,630,180	5,670,981
<b>Total current liabilities</b>		<b>11,377,006</b>	<b>7,919,753</b>
<b>Total liabilities</b>		<b>11,378,270</b>	<b>7,920,577</b>
<b>Total equity and liabilities</b>		<b>14,052,969</b>	<b>12,086,897</b>

- The accompanying notes on pages 7 to 19 form an integral part of these interim condensed separate financial statements.
- Limited review report attached

  
 Moataz Farouk  
 Chief Financial Officer

  
 Hisham El Khazindar  
 Managing Director

  
 Ahmed Mohamed Hassanien Heikal  
 Chairman

15 December 2022

CITADEL CAPITAL COMPANY S.A.E.  
 INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022



(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed separate statement of profit or loss  
 For the nine months period ended 30 September 2022

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022	2021	2022	2021
Advisory revenue	4(a)	70,888	62,416	25,479	20,850
General and administrative expenses		(221,967)	(149,085)	(58,174)	(44,745)
Provisions formed		(14,731)	-	(14,731)	-
Net impairment losses on financial assets		(498,708)	(143,782)	(384,155)	(50,371)
Other Operating Income		250	-	250	-
<b>Operating loss</b>		<b>(664,268)</b>	<b>(230,451)</b>	<b>(431,331)</b>	<b>(74,266)</b>
Finance income	4(c)	236,061	202,673	83,259	66,264
Finance Cost	4(c)	(1,062,975)	(272,764)	(312,527)	(98,279)
<b>Loss before income tax</b>		<b>(1,491,182)</b>	<b>(300,542)</b>	<b>(660,599)</b>	<b>(106,281)</b>
Income tax	4(d)	(439)	(950)	(256)	(218)
<b>Net loss for the period</b>		<b>(1,491,621)</b>	<b>(301,492)</b>	<b>(660,855)</b>	<b>(106,499)</b>
<b>Net loss for the period (per share)</b>					
Basic loss per share (EGP/Share)		(0.820)	(0.17)	(0.36)	(0.06)
Diluted loss per share (EGP/Share)		(0.820)	(0.17)	(0.36)	(0.06)

- The accompanying notes on pages 7 to 19 form an integral part of these interim condensed separate financial statements.

CITADEL CAPITAL COMPANY S.A.E.  
 INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022



**(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)**

**Interim condensed separate statement of comprehensive income  
 For the nine months period ended 30 September 2022**

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Net loss for the period	(1,491,621)	(301,492)	(660,855)	(106,499)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,491,621)</b>	<b>(301,492)</b>	<b>(660,855)</b>	<b>(106,499)</b>

- The accompanying notes on pages 7 to 19 form an integral part of these interim condensed separate financial statements.

CITADEL CAPITAL COMPANY S.A.E.  
 INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022



**(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)**

**Interim condensed separate statement of changes in equity - For the nine months period ended 30 September 2022**

	Paid up capital	Reserves	Accumulated losses	Total equity
<b>Balance at 1 January 2021</b>	<b>9,100,000</b>	<b>89,578</b>	<b>(4,512,850)</b>	<b>4,675,635</b>
Total comprehensive loss for the period	-	-	(301,492)	<b>(301,492)</b>
<b>Balance at 30 September 2021</b>	<b>9,100,000</b>	<b>89,578</b>	<b>4,814,342</b>	<b>4,374,143</b>
<b>Balance at 1 January 2022</b>	<b>9,100,000</b>	<b>88,638</b>	<b>(5,022,318)</b>	<b>4,166,320</b>
Total comprehensive loss for the period	-	-	(1,491,621)	<b>(1,491,621)</b>
<b>Balance at 30 September 2022</b>	<b>9,100,000</b>	<b>88,638</b>	<b>(6,513,939)</b>	<b>2,674,699</b>

- The accompanying notes on pages 7 to 19 form an integral part of these interim condensed separate financial statements.



CITADEL CAPITAL COMPANY S.A.E.  
 INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022



(All amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

Interim condensed separate statement of cash flows - For the nine months period ended 30 September 2022

	Note	30 September 2022	30 September 2021
<b>Cash flows from operating activities</b>			
Loss for the period before tax		(1,491,182)	(300,543)
<b>Adjusted to:</b>			
Fixed assets depreciation	3(a)	6,933	7,065
Interest expense	4(c)	479,191	297,773
Interest income	4(c)	(236,061)	(202,673)
Unrealized foreign currencies exchange differences loss / (Gain)		576,538	(25,009)
Provisions formed		14,731	-
Impairment formed		498,708	143,782
<b>Operating loss before changes in working capital</b>		<b>(151,141)</b>	<b>(79,605)</b>
<b>Changes in working capital:</b>			
Debtors and other debit balances		2,706	(110)
Due from related parties		(48,461)	(14,577)
Creditors and other credit balances		15,918	3,017
Due to related parties		(22,425)	-
<b>Net cash flows used in operating activities</b>		<b>(203,404)</b>	<b>(91,275)</b>
<b>Cash flows from investing activities</b>			
Proceeds from loans to subsidiaries		17,910	23,855
Payments for investments		(12,475)	-
Payments under investments		(221)	(243)
<b>Net cash flows generated from investing activities</b>		<b>5,214</b>	<b>23,612</b>
<b>Cash flows from financing activities</b>			
Due from related parties		(1,219,662)	23,498
Due to related parties		281,351	43,342
Proceeds from Loans		1,150,000	-
<b>Net cash flows generated from financing activities</b>		<b>211,689</b>	<b>66,840</b>
<b>Change in cash and cash equivalents</b>		<b>13,500</b>	<b>(823)</b>
Cash and cash equivalents at beginning of the period		2,341	3,954
<b>Cash and cash equivalents at end of the period</b>	2(b)	<b>15,841</b>	<b>3,131</b>

- The accompanying notes on pages 7 to 19 form an integral part of these interim condensed separate financial statements.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

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**1. Introduction**

Citadel Capital Company "S.A.E." was incorporated in 2004 as an Egyptian joint stock company under Law No, 159 of 1981. It was registered in the commercial register under number 11121, Cairo on 13 April 2004. The Company's term is 25 years as of the date it is entered in the commercial register. The Company's head office is in 1089 Nile Corniche, Four Season Nile Plaza, Garden City Cairo, Egypt. The company is registered in the Egyptian Stock Exchange.

The purpose of the Company is represented in providing financial and financing consultancy for different companies and preparing and providing feasibility studies in the economical, engineering, technological, marketing, financial, administrative, borrowing contracts arrangements and financing studies for projects and providing the necessary technical support in different fields except legal consultancy, in addition to working as an agent of companies and projects in contracting and negotiations in different fields and steps especially negotiations in the management contracts. participation and technical support. Managing, executing and restructuring of projects.

The Extraordinary General Assembly of the Company decided on 20 October 2013 to approve the Company's conditions of work in accordance with the Capital Market Law and its Executive Regulations as a company engaged in the purpose of establishing companies and participating in increasing the capital of companies in accordance with the provisions of Article 27 of the Capital Market Law and 122 of its executive regulations. The necessary legal procedures have been initiated after completion of all necessary legal procedures to increase the company's capital until the situation is reconciled according to the new capital of the company.

The company's preferred shares are owned by Citadel Capital Partners Ltd. Company, the principle shareholder of the company by 23.49%.

These interim condensed separate financial statements has been authorised by the company's Board of Directors on 15 December 2022, and the Shareholders' General Assembly has the right to modify the interim condensed separate financial statements after being issued.

Users of these interim condensed separate financial statements should read them together with Company's interim condensed consolidated financial statements for 30 September 2022 in order to obtain full information on financial position, results of operations, cash flow and changes in equity of the Company as a whole.

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022

(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)

**2. Financial assets and financial liabilities**

**2(a) Loans to subsidiaries**

Loans to subsidiaries are represented in finance agreements to subsidiaries as follows:

	30 September 2022	31 December 2021
<u>Current</u>		
National Development and Trading Company	2,505,016	1,852,537
National Company for Multimodal	-	195,766
	<b>2,505,016</b>	<b>2,048,303</b>
Less: Accumulated impairment loss*	(1,215,601)	(574,507)
	<b>1,289,415</b>	<b>1,473,796</b>
<u>Non-current</u>		
United Foundries Company	232,138	186,335
Less: Accumulated impairment loss*	(10,340)	(10,340)
	<b>221,798</b>	<b>175,995</b>
	<b>1,511,213</b>	<b>1,649,791</b>

\*The movement in impairment of loans due from subsidiaries:

	30 September 2022	31 December 2021
Balance at 1 January	584,847	363,392
Impairment used	(10,864)	-
Formed during the period	498,708	222,095
Foreign currency exchange losses / (gains) differences	153,250	(640)
	<b>1,225,941</b>	<b>584,847</b>

**2(b) Cash and bank balances**

	30 September 2022	31 December 2021
Cash on hand	10,325	301
Bank Current accounts – local currency	5,151	2,000
Bank Current accounts – foreign currency	365	40
	<b>15,841</b>	<b>2,341</b>

The average effective interest rate on deposits at 30 September 2022 was 10.5% (31 December 2021: 10%). Time deposits and current accounts with banks are placed with local banks under the supervision of Central Bank of Egypt.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

**Financial assets and financial liabilities (continued)**

**2(c) Loans**

On 1 February 2012 the Company has signed a long-term loan contract with an amount of US \$325 million with Citi Bank Company - syndication manager along with other Company of banks (represented in Arab African International Bank S.A.E. Arab International Bank, Banque du Caire, Misr Bank S.A.E. and Piraeus Bank) and guaranteed by Overseas Private Investment Corporation (OPIC) for the purpose of expanding the Company's investments and refinancing the outstanding debts as at 31 December 2011 (which represented in the loan granted to the Company on 15 May 2008 with an amount of US \$200 million for a period of five years from a Company of banks represented in Arab African International Bank, Suez Canal Bank, Misr bank, Piraeus Bank, Morgan Stanley Bank and Citi Bank London "syndication manager"). Loan is to be paid on nine instalments during the contract period begins from the third year to the end of contract on 15 May 2013. The loan balance is US \$172 million (equivalent to EGP 1 billion) as at 31 December 2011 until the date of the new contract.

The new loan amount is divided into three classes:

**First class:** Irrevocable amount of US \$175 million bearing variable interest rate (4.25%+Libor rate) for 5 years begins from the date of the contract and payable on five equal annual instalments.

**Second class:** Irrevocable amount of US \$125 million bearing variable interest rate (3.9%+Libor rate on the date of withdrawal) for 10 years begins from the date of the contract and payable on nine equal annual instalments with one-year grace period.

**Third class:** Irrevocable amount of US \$25 million bearing variable interest rate (3.9%+Libor rate on the date of withdrawal) and the Company has the right to use it within nine years begins from the date of the contract and payable on nine equal annual instalments begins from the date of withdrawal with one year grace period (not yet used).

The total loans balance as of 30 September 2022:

	<u>30 September 2022</u>	<u>31 December 2021</u>
First class	2,497,252	2,004,512
Second class	2,205,597	1,770,406
Accrued interest	2,777,331	1,896,063
Bridge loan*	1,150,000	-
<b>Balance</b>	<b><u>8,630,180</u></b>	<b><u>5,670,981</u></b>

\* During Q3 2022, the Company obtained a bridge loan from a third party entity amounting to 1.15 Billion Egyptian Pounds which is secured against post-dated checks. The loan is repayable in one year and classified accordingly as under current liabilities.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

**Financial assets and financial liabilities (continued)**

**2(d) Creditors and other credit balances**

	30 September 2022			31 December 2021		
	Current	Non- current	Total	Current	Non- current	Total
Tax authority	303,038	-	<b>303,038</b>	276,729	-	<b>276,729</b>
Accrued expenses	287,307	-	<b>287,307</b>	254,912	-	<b>254,912</b>
Former shareholder credit balances*	271,526	-	<b>271,526</b>	150,242	-	<b>150,242</b>
Trade and notes payable	184,577	-	<b>184,577</b>	153,630	-	<b>153,630</b>
Dividends payable	2,894	-	<b>2,894</b>	2,894	-	<b>2,894</b>
Social insurance authority	450	-	<b>450</b>	358	-	<b>358</b>
<b>Total creditors and other credit balances</b>	<b>1,049,792</b>	<b>-</b>	<b>1,049,792</b>	<b>838,765</b>	<b>-</b>	<b>838,765</b>

The carrying amounts of creditors and other credit balances are considered to be the same as their fair values due to their short-term nature.

\*Former Shareholder credit balance represents amounts due to shareholders that resulted from prior acquisitions as well as financing certain subsidiaries. Management doesn't have unconditional rights to defer the settlement and expects these balances to be repaid within twelve months from the date of the separate condensed financial statements.

**2(e) Maturities of financial liabilities**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, due to shortage of funding. Company's exposure to liquidity risk results primarily from the lack of offset between assets of maturities of assets and liabilities.

The management makes cash flow projections on periodic basis, which are discussed during the Board of directors meeting and takes the necessary actions to negotiate with suppliers, follow-up the collection process from related parties in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

The Company limits liquidity risk by maintaining sufficient facilities and reserves, and by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

**Financial assets and financial liabilities (continued)**

The table below summarises the maturities of the Company's undiscounted financial liabilities at 30 September 2022 and 31 December 2021, based on contractual payment dates and current market interest rates.

	<u>Below 6 month</u>
<b>30 September 2022</b>	
Loans	7,480,180
Due to related parties	1,451,569
Creditors and other credit balances	1,049,792
<b>Total</b>	<b><u>9,981,541</u></b>
<b>31 December 2021</b>	
Loans	5,670,981
Due to related parties	1,179,273
Creditors and other credit balances	838,765
<b>Total</b>	<b><u>7,689,019</u></b>

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Company should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Company takes into consideration all information reasonably available.

The table below shows the financial assets and liabilities at fair value in the separate financial statements at 30 September 2022 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1: Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Company can have access to at the date of measurement.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs of the asset or the liability.

**Recurring fair value measurements**

**At 30 September 2022**

**Financial assets**

Financial assets at fair value through other comprehensive income

Equity securities

**Total financial assets**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	-	7,093	-	<b>7,093</b>
<b>Total financial assets</b>	<b>-</b>	<b>7,093</b>	<b>-</b>	<b>7,093</b>

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022

(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)

**Financial assets and financial liabilities (continued)**

The table below shows the financial assets at fair value in the interim condensed separate financial statements at 31 December 2021 within the hierarchy of fair value.

**Recurring fair value measurements**

At 30 September 2022

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	-	7,093	-	<b>7,093</b>
<b>Total financial assets</b>	<b>-</b>	<b>7,093</b>	<b>-</b>	<b>7,093</b>

The Company determines the level, in the case of transfers between levels within the hierarchy of fair value through the revaluation of the classification (based on the lowest input levels that are considered to be significant to the fair value measurement as a whole). The Company did not make any transfers between levels 1 and 2 during the period.

**3. Non-financial assets and financial liabilities**

**3(a) Fixed assets**

	Buildings	Computers	Furniture, fixture & office equipment	Vehicles	Software	Total
<b><u>31 December 2021</u></b>						
Cost	33,742	8,862	23,037	540	24,856	<b>91,037</b>
Accumulated depreciation	(25,306)	(8,652)	(23,037)	(540)	(9,892)	<b>(67,427)</b>
<b>Net carrying value</b>	<b>8,436</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>14,964</b>	<b>23,610</b>
<b><u>Period ended 30 September 2022</u></b>						
<b>Net book value at the beginning of the period</b>	8,436	210	-	-	14,964	<b>23,610</b>
Depreciation	(1,265)	(140)	-	-	(5,528)	<b>(6,933)</b>
<b>Net book value</b>	<b>7,171</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>9,436</b>	<b>16,677</b>
<b><u>30 September 2022</u></b>						
Cost	33,742	8,862	23,037	540	24,856	<b>91,037</b>
Accumulated depreciation	(26,571)	(8,792)	(23,037)	(540)	(15,420)	<b>(74,360)</b>
<b>Net carrying value</b>	<b>7,171</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>9,436</b>	<b>16,677</b>

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022

(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)

4. Profit and loss information

4(a) Advisory Revenue

Advisory fee represents advisory services rendered to the subsidiaries and other related parties by virtue of shareholders agreements:

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Falcon Agriculture Investments Ltd	33,806	29,715	12,147	9,912
Citadel Capital Transportation				
Opportunities II Ltd	14,657	12,884	5,267	4,298
Silverstone Capital Investment Ltd	12,858	11,302	4,620	3,770
ASEC for Cement	9,567	8,515	3,443	2,870
	<b>70,888</b>	<b>62,416</b>	<b>25,477</b>	<b>20,850</b>

4(b) Significant items

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
<b>Expenses</b>				
Impairment in loans to subsidiaries	498,708	141,282	384,156	47,871
Salaries, wages and other employees benefits	146,626	115,838	44,661	35,307
	<b>645,334</b>	<b>257,120</b>	<b>428,817</b>	<b>83,178</b>

4(c) Finance costs - net

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Credit interest*	236,061	202,673	83,259	66,264
<b>Total Finance Income</b>	<b>236,061</b>	<b>202,673</b>	<b>83,259</b>	<b>66,264</b>
Net foreign exchange differences (loss)/gain.	(579,795)	25,009	(117,762)	3,029
Interest expenses	(483,180)	(297,773)	(194,765)	(101,308)
<b>Total Finance Cost</b>	<b>(1,062,975)</b>	<b>(272,764)</b>	<b>(312,527)</b>	<b>(98,279)</b>
<b>Total</b>	<b>(826,914)</b>	<b>(70,091)</b>	<b>(229,268)</b>	<b>(32,015)</b>



**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

**Profit and loss information (continued)**

**4(c) Finance costs – net (continued)**

\* Interest represents the accrued interest income according to the signed contracts with related parties as follows:

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
National Development and Trading Company	179,970	141,800	65,418	47,870
Citadel Capital Holding for Financial Investments-Free Zone	27,733	38,598	4,415	12,983
National Multimodal Transportation	27,299	15,948	12,543	5,397
United Foundries Company	145	6,304	53	5
Other	914	23	830	9
	<b>236,061</b>	<b>202,673</b>	<b>83,259</b>	<b>66,264</b>

**4(d) Income tax**

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The average annual tax rate used for the period to 30 September 2022 is 22% compared to 23% for the nine months ended 30 September 2021. There is no material change in the effective tax rate for the period as compared to prior period.

**5. Significant changes in the current reporting period**

During February 2022, the Russian federation invaded Ukraine, while there has been long-standing geopolitical tension between Russia and Ukraine, there was an absence of a conclusive threat of invasion. The Russian military invasion of Ukraine during February 2022 does not provide additional evidence about the conditions that existed. Therefore, the invasion is considered a non-adjusting event for reporting periods ending on or before 30 September 2022. Ukraine is one of the world's largest exporters of commodities, and the invasion has already had an impact on the prices of commodities. Although the Company does not export from Ukraine, management has taken steps to ensure that the Company is not affected in the short term, but due to the uncertainty and liquidity of the situation, the overall impact in the medium and long term is undetermined.

Also on 21 March 2022, the Central Bank of Egypt announced a decrease in the exchange rate of the Egyptian pound and an increase in interest rates on lending and deposits by 1%. Accordingly, as a result of the decrease in the exchange rate of the Egyptian pound, the US dollar was traded on the date of issuance of these financial statements in local banks between 18 and 19.5 Egyptian pounds. The potential impact of the decrease in the exchange rate of the Egyptian pound on the Company's performance remains uncertain as of the date of this report. However, management continues to monitor the situation closely.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

**6. Related party transactions**

The Company entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Company's top management of the company, their entities, companies under common control. The management decide the terms and conditions of the transactions and services provided beyond to the related parties and any other expenses fairly and depending on contracts and agreements the following are the nature and values of the transactions with the related parties during the period also the accrued balances at the date of separate financial position.

**6 (a) Due from related parties**

Company name	Nature of relationship	Nature and volume of transaction			30 September 2022	31 December 2021
		Advisory fee	Finance	Forex		
Citadel Capital for International Investments Ltd.	Subsidiary	-	1,042,935	397,562	2,744,930	1,304,433
Citadel Capital Holding for Financial Investments-Free Zone Falcon Agriculture Investments Ltd.	Subsidiary	-	116,144	505,481	1,802,985	1,181,360
United Foundries Company	Subsidiary	33,806	-	96,944	511,955	381,205
Citadel Capital Transportation Opportunities II Ltd.	Subsidiary	-	18,185	40,905	250,242	191,152
Citadel Capital Financing Corp.	Subsidiary	14,657	-	39,432	208,791	154,702
Logria Holding Ltd.	Investee	-	-	25,254	127,992	102,738
Mena Home furnishings Mall Golden Crescent Investments Ltd.	Subsidiary	-	-	21,174	107,310	86,136
Mena Glass Ltd.	Investee	-	-	20,268	102,719	82,451
Mena Joint Investment Fund management S.A	Subsidiary	-	-	14,677	74,386	59,709
Cron dall Holdings Ltd.	Subsidiary	-	-	13,218	66,991	53,773
ASEC Company for Mining (ASCOM)	Subsidiary	-	-	9,010	45,665	36,655
Africa Raliways Limited	Subsidiary	-	-	6,791	34,442	27,651
Citadel Capital Transportation Opportunities Ltd.	Subsidiary	-	30,000	25	30,128	103
Sabina for Integrated Solutions	Subsidiary	-	-	4,631	23,466	18,835
Grandview Investment Corp	Subsidiary	-	-	4,473	22,674	18,201
Africa JIF Holdco I fund	Subsidiary	-	-	4,232	21,447	17,215
Citadel Capital Joint Investment and Management limited Fund	Subsidiary	-	-	3,628	16,386	12,758
International Company for Mining Consultation	Subsidiary	-	-	2,732	13,848	11,116
		-	-	2,066	10,472	8,406
		-	-	-	140	140
<b>Total</b>					<b>6,216,969</b>	<b>3,748,739</b>
Accumulated impairment loss *					(1,885,003)	(1,504,352)
<b>Net</b>					<b>4,331,966</b>	<b>2,244,387</b>

Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022

(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)

Related party transactions (continued)

\*The accumulated impairment loss of due from related parties is as follows:

	Balance as at 1 January 2022	Formed	Write off	Foreign exchange differences	Balance as at 30 September 2022
Citadel Capital Holding for Financial Investments-Free Zone	757,789	-	-	186,275	944,064
Citadel Capital for International Investments Ltd.	279,854	-	-	79,655	359,509
Citadel Capital Financing Corp.	102,738	-	-	25,260	127,998
Logria Holding Ltd.	86,136	-	-	21,175	107,311
Mena Home furnishings Mall	82,451	-	-	20,259	102,710
Golden Crescent Investments Ltd.	59,709	-	-	14,672	74,381
Mena Glass Ltd.	53,773	-	-	13,219	66,992
Cron dall Holdings Ltd.	27,651	-	-	6,800	34,451
Africa Raliways Limited	18,835	-	-	4,631	23,466
Citadel Capital Transportation Opportunities Ltd.	18,201	-	-	4,473	22,674
Sabina for Integrated Solutions	17,215	-	-	4,232	21,447
<b>Balance</b>	<b>1,504,352</b>	<b>-</b>	<b>-</b>	<b>380,651</b>	<b>1,885,003</b>

6(b) Due to related parties

	Nature of relationship	Nature and volume of transaction			30 September 2022	31 December 2021
		Advisory fee	Finance	Forex		
National Development and Trading Company	Subsidiary	-	(4,518)	156,691	788,815	636,642
Citadel Capital for International Investments Ltd.	Subsidiary	-	-	82,492	418,077	335,585
FHI	Shareholder	-	-	13,370	111,321	97,951
Asec Trading Company	Subsidiary	-	935	2,353	65,896	62,608
Silverstone Capital Investment Ltd.	Subsidiary	(12,858)	25,716	9,402	36,390	14,130
National Company for Printing	Subsidiary	-	-	-	16,156	16,156
ASEC Cement Company	Subsidiary	(9,567)	8,422	(161)	14,129	15,435
Ahmed Heikal	Chairman	-	-	19	785	766
<b>Total</b>					<b>1,451,569</b>	<b>1,179,273</b>

6(c) Key Management Compensation

Key management personnel received total benefits during the period with an amount of EGP 16.4 million in 30 September 2022 represented in salaries and other benefits (30 September 2021: EGP 46 million)

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

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**Related party transactions (continued)**

**6 (d) Terms and conditions**

Transactions relating to Advisory fees during the period based on the Contracts in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

The loans to related parties are repayable between 1 to 10 years from the reporting date, The average interest rate on the loans to related parties during the period was 11.5% (31 December 2021 – 11.5%).

**6(e) Impairment of loans to related parties and due from related parties**

Impairment of loans to related parties and due from related parties is estimated by monitoring ageing of balances. The Company's management examines the credit position and ability of related parties to make payments for their past due debts. Impairment is recognised for amounts due from related parties whose credit position, as believed by the management, does not allow them to pay their dues. The amount of the loss is measured as the difference between the carrying amount of the asset and the present value of future cash flows discounted at the original effective interest rate of the financial asset, and the carrying amount is reduced directly to the related parties balance by making a provision for impairment of related parties' balance.

**7. Basis of preparation of the interim condensed separate financial statements**

**Compliance with EAS**

The interim condensed separate financial statements for the financial period ended 30 September 2022 have been prepared in accordance with the requirements of the Egyptian Accounting Standard (30) "Interim Financial Statements".

These interim condensed separate financial statements doesn't contain all the information required in preparing the full annual financial statements and should be read in conjunction with the Company's annual separate financial statements as at 31 December 2021.

The accounting policies adopted in the preparation of this interim condensed separate financial statements are consistent with those of the previous financial year and corresponding interim reporting period. In addition, results of the nine months period ended 30 September 2022 are not necessary indicative for the results that may be expected for the financial year ending 31 December 2022.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

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**8. Going concern**

The Company has made a net loss of approximately EGP 1.49 billion for the period ended 30 September 2022 (30 September 2021: EGP 300 million loss). This has further increased the Company's accumulated losses amounted to approximately EGP 6.5 billion as at 30 September 2022 (31 December 2021: EGP 5 billion).

As at 30 September 2022, the Company is financed by borrowings and bank facilities to the amount of EGP 8.6 billion. The Company had EGP 15.8 million of cash and cash equivalents.

During the financial period, the Company was in breach of its existing debt covenants. As a result of the breaches and defaults, an amount of EGP 8.6 billion was repayable on demand and the loans have been classified as current liabilities as at 30 September 2022. As a result, the Company's current liabilities exceeded its current assets by EGP 5.7 billion (31 December 2021: EGP 4.2 billion).

Furthermore, due to the adverse impact globally from Covid-19, the Company's business activities were in certain parts of the business significantly impacted.

These circumstances indicate significant doubts as to whether the Company will be able to meet its debt obligations as they fall due and represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

**The key factors which could lead to the Company not being a going concern are considered to be:**

- If the Company continues to make losses from operations and does not generate sufficient cash flows from the operations. As a result, the Company would not be able to provide services to its customers, pay employees and suppliers.
- If the Company is unable to remedy any breaches of financial covenants financial nor able to renegotiate or restructure any defaulted positions.

**Assessment of cash flow forecasts produced by management**

The assessment of the going concern basis for the preparation of the financial statements of the Company relies heavily on the ability to forecast future cash flows over the going concern assessment period and to successfully restructure the defaulted debt and remedy any breaches. Although the Company has a robust budgeting and forecasting process, there is an inherent uncertainty in the assumptions used in this process. This is further exacerbated by the current economic uncertainty caused by the Covid-19 pandemic and other factors.

Management has prepared a comprehensive cash flow forecast for the next 5 years of the business which has been subject to Board review and challenge. These cash flows are consistently used for purposes of testing the non-current assets for impairment and details of the assessments and key assumptions. During the period, no impairment losses were recognized against noncurrent assets.

**Notes to the interim condensed separate financial statements  
For the nine months ended 30 September 2022**

**(All amounts in the notes are shown in Thousand Egyptian Pounds unless otherwise stated)**

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**Going concern (continued)**

**Key areas in determining the Company is a going concern**

The key considerations in respect in respect of assessing going concern and in reaching the conclusion are set out below:

**Operational Activity**

- The company show continuous operational and EBITDA growth year on year.
- Management continuous to maintain a more relaxed cash flow impact from operating expenses either through deferring payments or cost cutting policies.

**Liquidity Position**

The Company has experienced significant liquidity issues and in order to address the liquidity issues, management has undertaken the following actions:

- Loans from local financial institutions, with a balance of 8.6 billion outstanding as at 30 September 2022, are in the process of being renegotiated. The Company has negotiated to settle all the overdue debts through finance from one lender. On reaching the rescheduling agreement, the Company will benefit from the longer settlement period and the waiver of the charges on the defaulted loans.

**Other initiatives**

- Management continuous to maintain a more relaxed cash flow impact from operating expenses either through deferring payments or cost cutting policies.

Based on the above factors, management is of the view that the Company remains a going concern, and the interim condensed separate financial statements of the Company have been prepared on a going concern basis. Therefore, to continue realizing its assets and discharging its liabilities in the normal course of business.

**9. Subsequent events**

On 20 July 2022, the Company's extraordinary General Assembly meeting approved the amendment of the Company's official name to be "Citadel Capital for Financial Investments S.A.E" instead of "Citadel Capital Company S.A.E", as well as the amendment of the Company's office address to "31 Arkan Plaza, Sheikh Zayed City, 6th of October, Giza" instead of "3 Yemen Street, Eldokki, Giza, Egypt" and thus changing article 2 and article 4 of the Company's article of association accordingly. These changes were reflected on the Company's commercial register and official documents on 9 October 2022.

The Monetary Policy Committee decided, in its extraordinary meeting held on 27 October 2022, to raise the overnight deposit rate, the overnight lending rate and the rate of the main operation by 200 basis points to 13.25%, 14.25%, and 13.75%, respectively. The discount rate was also raised by 200 basis points to 13.75%, coinciding with an increase in the exchange rate of the Egyptian pound against the dollar reached an average of 22.857 Egyptian pounds instead of 19.497 Egyptian pounds.