Sidi Kerir Petrochemicals (Sidpec) "S.A.E"

Financial Statements

And limited review's Report

For the Financial Period Ended

June 30, 2026

Translation from Arabic

Contents

LIMITED REVIEW REPORT OF INTERIM FINANCIAL STATEMENTS

To the Members of the Board of Directors of Sidi Kerir Petrochemicals (Sidpec) "S.A.E □

Introduction

We have performed a limited review for the accompanying financial position of Sidi Kerir Petrochemicals (Sidpec) "S.A.E" attached herewith as at June. 30, 2026, and the related statement of profit or loss statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended. And a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on this interim financial information based on our limited review.

Limited Review Scope

We conducted our limited review in accordance with the Egyptian Standard on limited review engagement No 2410 " Limited review of Financial statements performed by the 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 audited 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 financial statements.

Conclusion

In the light of our limited review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly in all material respects the financial position of Sidi Kerir Petrochemicals (Sidpec) "S.A.E" as at June 30,2026 and its financial performance and cash flow for the six months then ended in accordance with Egyptian Accounting Standards.

We would like to draw attention to the following notes:

1- The registration of the in-kind contribution provided by Egyptian Petrochemicals Company upon the establishment of the Company has not yet been completed.
2- The fair value of the real estate investments, approximately 98 million Egyptian pounds (Note 7), has not been disclosed in according to The Egyptian Accounting Standard No. 34.
3- The long-term investments, have not been accounted for using the equity method, despite the existence of significant influence, in accordance with the requirements of Egyptian Accounting Standard No. 18 and also, the financial statements did not include the fair value of investments in equity instruments, as required by Egyptian Accounting Standard No. 47 (Note 8) .

Date: 12/08/2026

Auditor - Nasr A. Ahmed

Ahmed Nasr A. Abbas
Nasr A.Abbas & Partners
Morison Global
Public Accountants & Consultants
Accountants & Auditors Registration no.24407

Accountants & Auditors Registration no. 5518
Auditors Registration in Financial Regulatory Authority no. 106
Auditor with the Central Bank of Egypt (CBE) No. 304
Auditor with the Central Auditing Organization (CAO) No. 1241

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"
Statement of financial position
As at 30 June, 2026

Translation from Originally Issued in Arabic

	Note No.	30/6/2026 EGP	31/12/2025 EGP
Non-current assets			
Fixed assets (Net)	4	1 454 364 938	1 377 804 149
Right of use assets	5	110 586	230 857
Projects under process	6	959 477 481	897 116 100
Real estate investments	7	97 512 429	97 512 429
Non-current investments	8	3 125 126 350	2 711 790 626
Total non-current assets		**5 636 591 784**	**5 084 454 161**
Current Assets			
Inventories	9	3 865 273 776	3 458 396 543
Trade and notes receivable	10	486 265 750	326 901 650
Due from related parties	11	1 585 058 568	894 016 029
Advance payments	12	47 350 534	50 133 526
Other debit balances	13	1 583 584 950	1 657 914 957
Current investments	14	1 050 207 011	185 565 012
Cash at banks and time deposits	15	762 549 105	2 696 930 971
Total Current Assets		**9 380 289 694**	**9 269 858 688**
Total Assets		**15 016 881 478**	**14 354 312 849**
Equity			
Issued and paid-up capital	16	2 268 000 000	2 268 000 000
Legal reserve		1 020 808 564	907 200 000
Other reserves	17	2 677 726 927	2 505 417 256
Retained earnings		318 282 873	172 414 363
Net profits for the period / year		507 605 034	1 138 395 309
Total equity		**6 792 423 398**	**6 991 426 928**
Non Current Liabilities			
Loans	22	304 598 850	288 980 401
Finance lease liabilities		49 384	49 384
Long term provision	18	250 000 000	250 000 000
Deferred tax liabilities	19	162 255 149	183 445 175
Total Non Current Liabilities		**716 903 383**	**722 474 960**
Current Liabilities			
Loans	22	926 622 171	1 133 779 134
Bank credit facilities	22	1 159 963 798	1 796 589 147
Finance lease liabilities		199 611	372 617
Trade payables		110 030 511	88 127 000
Due to related parties	20	2 473 023 547	1 988 784 280
Other credit balances	21	2 666 259 615	1 357 733 915
Income tax		171 455 444	275 024 868
Total Current Liabilities		**7 507 554 697**	**6 640 410 961**
Total equity and liabilities		**15 016 881 478**	**14 354 312 849**

The accompanying notes form an integral part of these financial statements.

Accountant/ Mohamed Fathy Amer	**Accountant / Mohamed Adly Elbarbary**	**Chemist / Mohamed Zakria El Afndy**
General Director of Financial Control	**Assistant of the company's president for financial and economic affairs**	**Chairman of the Board and Managing Director**

Ahmed Nasr A.Abbas
Nasr A.Abbas & Partners
Morison Global
Public Accountants & Consultants
Accountants & Auditors Registration no.24407

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"
Statement of profit or loss
For the financial period ended 30 June 2026

Translation from Originally Issued in Arabic

	Note No.	from 1/1/2026 to 30/6/2026 EGP	from 1/4/2026 to 30/6/2026 EGP	from 1/1/2025 to 30/6/2025 EGP	from 1/1/2025 to 30/6/2025 EGP
Sales from company's operations		7 491 503 953	4 457 742 134	6 535 316 060	3 457 318 341
Sales of commercial units		1 042 706 602	288 964 374	1 016 021 527	482 440 895
Net sales	(23-1)	**8 534 210 555**	**4 746 706 508**	**7 551 337 587**	**3 939 759 236**
Less:					
Cost of sales from company's operations		6 511 861 588	3 715 824 594	5 088 331 877	2 746 130 911
Cost of sales of commercial units		838 875 864	178 033 076	963 824 659	490 830 063
Total cost of sales	(24-1)	**7 350 737 452**	**3 893 857 670**	**6 052 156 536**	**3 236 960 974**
Gross Profit		**1 183 473 102**	**852 848 838**	**1 499 181 051**	**702 798 262**
Less:					
Marketing expenses	(24-2)	138 961 387	92 110 459	80 300 913	22 349 111
General and administrative expenses	(24-3)	511 658 213	312 765 774	298 569 575	111 463 039
Provisions	(24-4)	51 519 091	42 676 741	8 753 015	-
Other expenses	(24-5)	43 944 126	13 666 097	25 306 347	11 974 119
Finance expenses and interest	(24-6)	88 865 989	37 976 806	204 157 384	103 876 445
Total		**834 948 806**	**499 195 877**	**617 087 234**	**249 662 714**
Add:					
Investment income	(23-2)	113 846 028	15 496 998	17 749 341	9 067 417
Other operating income	(23-3)	3 240 179	1 932 068	19 730 666	12 085 828
Other income	(23-4)	3 156 622	2 089 069	18 868 365	5 298 139
Credit interests	(23-5)	163 476 955	72 333 075	244 338 141	137 119 552
Foreign exchange differences	(23-6)	25 626 370	46 236 683	18 489 568	12 076 574
Operating income		**309 346 154**	**138 087 893**	**319 176 081**	**175 647 510**
Net profit before tax		**657 870 452**	**491 740 853**	**1 201 269 898**	**628 783 058**
Income tax		171 455 444	146 064 038	214 881 728	125 535 142
Deferred tax		(21 190 026)	22 433 712	(41 014 965)	62 560 012
Net Profit After Taxes		**507 605 034**	**323 243 103**	**1 027 403 135**	**440 687 904**
Earnings Per Share		**0.38**	**0.24**	**1.01**	**0.44**

The accompanying notes form an integral part of these financial statements.

Accountant/ Mohamed Fathy Amer	**Accountant / Mohamed Adly Elbarbary**	**Chemist / Mohamed Zakria El Afndy**
General Director of Financial Control	**Assistant of the company's president for financial and economic affairs**	**Chairman of the Board and Managing Director**

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"
Statement of Comprehensive Income
For the financial period ended 30 June 2026

Translation from Originally Issued in Arabic

	from 1/1/2026 to 30/6/2026 EGP000	from 1/4/2026 to 30/6/2026 EGP000	from 1/1/2025 to 30/6/2025 EGP000	from 1/1/2025 to 30/6/2025 EGP000
Net profit for the period after tax	507 605 034	323 243 103	1027 403 135	440 687 904
Other comprehensive income				
Foreign currency translation (losses)	-	-	-	-
Total Comprehensive Income for the period	**507 605 034**	**323 243 103**	**1027 403 135**	**440 687 904**

The accompanying notes form an integral part of these financial statements.

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"

Statement of cash flows

For the financial period ended 30 June 2026

Translation From Originally Issued in Arabic

	6/30/2026	6/30/2025
	EGP	EGP
Cash flows from operating activities		
Net profit before tax and extraordinary items	657 870 452	1 201 269 899
Adjustments to reconcile net profit to cash flow From operating activities		
Depreciation	44 905 236	44 284 207
Provisions	51 519 091	8 753 015
Credit interests	(163 476 957)	(244 338 140)
Investment income	(113 846 028)	(17 749 341)
Gain (losses) due to assets disposal	(950 729)	(1 593 244)
Inventories	88 865 989	204 157 385
Foreign currency (losses)/ gain	(25 626 370)	(18 489 569)
Operating profit before changes in working capital	**539 260 684**	**1 176 294 212**
Changes in trade, notes receivables and other receivables	(940 767 910)	262 439 202
Changes in inventories	(406 877 233)	(91 203 432)
Changes in trade and notes payable	1 110 440 821	(732 508 600)
Cash flow from operating activities before extraordinary items	**302 056 362**	**615 021 382**
Proceeds from credit interests	177 417 015	281 947 385
Payments for debit interests	(90 182 256)	(209 687 692)
Payments of income tax	(121 539 627)	(463 308 142)
Net cash (used in) operating activities	**267 751 494**	**223 972 933**
Cash flows from investing activities		
Payments for purchase of fixed assets	(183 707 135)	(213 390 770)
Proceeds from fixed assets	-	1 563 244
Investment income received	30 470 028	-
Current investments	(864 641 999)	110 092 421
Non-current investments	(413 335 724)	(79 136 100)
Net cash (used in) investing activities	**(1 431 214 830)**	**(180 871 205)**
Cash flows from financing activities		
Dividends payable	-	(733 538 956)
Loans	(171 378 676)	264 973 133
Finance lease liabilities	(173 006)	(461 338)
Current bank credit facilities	(698 206 158)	700 245 992
Cash flows (used in) financing activities	**(869 757 840)**	**231 218 831**
Cash flows from all activities	**(2 033 221 176)**	**274 320 559**
Foreign exchange gains/losses	91 539 007	(52 463 532)
Expected credit losses for cash and equivalents	7 300 303	(2 691 533)
Net increase (decrease) in cash and cash equivalents during the year	**(1 934 381 866)**	**219 165 494**
Cash and cash equivalents at the beginning of the period	**2 696 930 971**	**3 264 653 813**
Cash and Cash Equivalents at the end of the period	**762 549 105**	**3 483 819 307**

The accompanying notes form an integral part of these financial statements.

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"
Statement of Changes in Equity
For the financial period ended 30 June 2026

Translation from Originally Issued in Arabic

	Capital	Legal reserve	Other reserves	Advance payment for capital increase	Retained Earnings	Net Profit for The year	Foreign exchange losses	Total
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
Balance as at December 31, 2024	**1 814 400**	**756 000**	**2 230 417**	**–**	**223 659**	**2 539 390**	**(451 642)**	**7 112 224**
Foreign exchange losses (comprehensive income) 2025	-	-	-	-	-	(451 642)	451 642	-
Applying EAS no. (5)	-	-	-	-	168 704	-	-	168 704
Transferred to legal reserves	-	151 200	-	-		(151 200)	-	-
Transferred to other reserves	-	-	275 000	-	-	(275 000)	-	-
Transferred to retained earnings	-	-	-	-	20 809	(20 809)	-	-
Dividends for year 2024		-	-	-	-	(1 187 139)	-	(1 187 139)
Bonus shares		-	-	453 600	-	(453 600)	-	-
Net profit for the periodr ended June 30, 2025	-	-	-	-	-	1 027 403	-	1 027 403
Inventories	**1 814 400**	**907 200**	**2 505 417**	**453 600**	**413 172**	**1 027 403**	**-**	**7 121 192**
Balance as at December 31, 2025	**2 268 000**	**907 200**	**2 505 417**	**-**	**172 414**	**1 138 395**	**-**	**6 991 426**
Transferred to legal reserves	-	113 609	-	-	-	(113 609)	-	-
Transferred to other reserves	-	-	172 310	-	-	(172 310)	-	-
Transferred to retained earnings	-	-	-	-	145 869	(145 869)	-	-
Dividends for year 2025	-	-	-	-	-	(706 607)	-	(706 607)
Net profit for the period ended June 30, 2026	-	-	-	-	-	507 605	-	507 605
Balance as at June 30, 2026	**2 268 000**	**1 020 809**	**2 677 727**	**-**	**318 283**	**507 605**	**-**	**6 792 424**

1-First- Background:

1-1 Legal Entity

- Sidi Kerir Petrochemicals (Sidpec) Is an Egyptian Joint Stock Company established under the investment incentives and guarantees law no. (8) of 1997 and related executive regulations as replaced by law no. (72) of 2017, and under law no. (159) of 1981 on the issuance of the law on Joint-Stock Companies, Limited Partnerships, Limited Liability Companies, and Sole Proprietorship Companies, and in compliance with the provisions to law no. (95) of 1992 on the Capital Market Law and its executive regulations.
- **Registration in the Commercial Registry**

  Commercial Registry under no. 145404 on November 18, 1997- Alexandria Investment
- **Capital structure:**
  - Authorized capital: EGP 5100 billion.
  - Issued and paid-up capital: EGP 2.268 billion.
  - The company's issued shares are registered as central depositary amounted to 1134 million shares with nominal value of EGP 2 per share.
- **Registration in the Stock Exchange:**
  - The company is listed in the Egyptian Stock Exchanges on 19/3/2005, The company's trading shares in the Stock Exchanges starts from 3/7/2005.

1-2 Purpose of the company:

- Construction of petrochemical products complex for producing the primary petrochemicals, intermediates, derivatives and major end use products of petrochemicals. Also, the company's purpose includes all the complementary process such as manufacturing and establishment of pipe lines and import gas for the purpose of manufacturing. The Company may undertake other projects or modify its purpose.
- Construction, acquisition, operation, and management of a power plant for use in the consumption of the company and the sale of surplus electricity to companies and national network of Egypt.
- Sale and marketing of all its products as well as other petrochemical products. Import, export, manufacturing, packaging, and sale of petrochemical products, and all kinds of plastics.
- This is without violating the provisions of laws, regulations, and decisions in force, and provided that the necessary licenses issued to carry out these activities. The Company may contribute or participate in any way in or with companies and others that engage in acts of their business or that may cooperate in achieving its purpose in Egypt or abroad.

- **1-3 Duration of the company:**
  - The duration of the company is twenty-five (25) years starting from the date of its registration in the Commercial Register.
  - The duration of the company has been extended until 17/11/2047 and was registered in the commercial register on 17/5/2022.

- **1-4 Head office:**
  - El-Nahda Street Km 36 Alexandria/Cairo Desert Road near El-Amerya Alexandria, Government Egypt.
- **1-5 The company’s production capacity:**
  - Production of Ethylene with a production capacity of 300 thousand tons yearly.
  - Production of Polyethylene with a production capacity of 225 thousand tons yearly.
  - Facilities with the capacity needed to cover the Company’s production projects.
  - Production of Biotin with a production capacity of 10 thousand tons’ yearly
  - Production of butane gas with a production capacity of 50 thousand tons yearly with maximum according to the feed gases specifications.

2-Second- Basis of preparation of the financial statements

2-1 Statement of compliance

- The financial statements are prepared in accordance with Egyptian Accounting Standards and the relevant Egyptian laws and regulation.
- The financial statements were prepared by the company’s financial management and reviewed by the Audit Committee for presentation to the Board of Directors, which approved their results on 29/07/2026.
- foreign currency is translated at the transaction’s exchange rate date, and the statement of financial position date, monetary assets and liabilities in foreign currencies are translated into Egyptian pounds using the exchange rate prevailing at the date of the statement of financial position, with any resulting exchange differences recognized in the income statement. non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate prevailing on the transaction data
- According to the decree of Prime Minister no. (1711) for year 2024, provisionally approved the recognition of debit currency differences arising from foreign currency liabilities at the exchange rate date at the end of 6 March 2024 or at the closing date within the cost of these assets.
- Also , permitted to recognize exchange differences resulting from the translation of monetary assets and liabilities into foreign transactions on March 6, 2024 or at the closing date within the items of comprehensive income.
- Financial obligations that have been designated as a hedging instrument to cover the risk of net investment in a foreign activity as long as the hedging is effective.
- Hedging instruments used in cash flow risk are translated as long as the hedge is effective.

2-2 Basis of measurement

- These financial statements have been prepared under historical cost basis, except for current investments (investment securities).

2-3 Functional and presentation currency

- These financial statements are presented in Egyptian pound, the main currency of the company’s functional and presentation currency.

2-4 Use of Estimates and assumptions

- The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of these assumptions represent the judgmental basis for the value of assets and liabilities that may not apparently available from other sources. The actual results may differ from these estimates.
  The estimates and underlying assumptions are reviewed on-going basis.
  Reviewed accounting estimates are recognized in the same revision period, and impact of revaluation takes place in that period or in any future financial periods that may affected by it.
  Information about significant items in which these estimates and personal judgment are used, which have a significant effect on the values in the financial statements,
  - is included in the following notes:
- Provisions and contingencies.
- Operational useful life of fixed assets.
- Accrued expenses.
- Impairment loss on financial assets and non-financial assets.
- Deferred tax
- Fair value measurement

2-5 Statement of cash flow

- The cash flow statement is prepared using the indirect method. For the purposes of the statement, cash and cash equivalents comprise cash on hand, bank current accounts, term deposits, and bank overdraft balances that are not included within the company’s borrowing arrangements

2-6 Comparative figures

- The comparative figures shall be re-classified when necessary to be in conformity with the changes in the presentation adopted in the current period according to EAS.

3-Third: Significant accounting policies

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

3-1 Foreign currency transactions

- Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.
- According to Prime Ministerial Decree No. 171 of 2024, a temporary option has been granted to allow the recognition of foreign exchange on outstanding foreign currency liabilities—at the revaluation date linked to fixed assets—either
- As of the end of March 6, 2024, or at the closing date, as part of the asset's cost. The decree also permits the recognition of foreign exchange differences arising from the translation of monetary assets and liabilities denominated in foreign currencies—at the end of March 6, 2024, or at the closing date—within other comprehensive income.
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

3-2 Discontinuing operation

- A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company.
- Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.
- When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

3-3 Property, plant and equipment

A-Recognition and initial measurement:

- Plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.
- The fixed assets owned by the company and held for use in production or provision of goods or services or for administrative purposes are proven at cost and fixed assets in the financial position are shown at historical cost, less the combined depreciation and accumulated loss resulting from the decrease in value.
- Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items, and restoring the site on which they are located and capitalized borrowing costs.
- Computer software programmes acquired, which enhances or extends the performance of computers is capitalized and added to the original cost of the software.
- Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets represents a component of the cost of these assets. Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. all borrowing costs are recognised in profit or loss in the period in which they are incurred.

B-Subsequent costs on the acquisition

- The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

C-Depreciation

- Depreciation is calculated to write off the cost of items of property, plant, and equipment less than their estimated residual values using the (straight-line method) over their estimated useful lives for each item.
- Depreciation is recognised in profit or loss using the straight-line method over their estimated useful lives for each item of property, plant and equipment. The land is not depreciated.

- Estimated depreciation rates for each type of asset are as follow:

Description	Rate	Useful lives
Buildings and constructions	2%	50 years
Machinery and equipment	-	35 years
Transportation and vehicles	20%	5 years
Tool	10%	10 years
Computers	25%	4 years

- Depreciation commences when the fixed asset is completed and made available for use. Depreciation method useful life and residual value are reviewed at each financial statements date and adjusted as appropriate.

D-Capital gains and losses from the exclusion of fixed assets

- Profits and losses resulting from the exclusion of fixed assets arising from comparison of net selling value and net book value of the asset resulting in capital gains and losses recognized in the income statement.

3-4 Borrowing costs

- Loans are initially recognized at fair value, net of transaction costs incurred. Subsequently, these loans are measured at amortized cost, and the difference between the proceeds received (net of transaction costs) and the amount repayable at maturity is recognized in the income statement over the term of the loan using the effective interest rate method.
- The cost to obtain loan facilities are recognized as transaction costs related to the loans until a portion or the total amount of the facility is utilized. In such cases, the amortization of these fees is deferred until the facility is drawn down. If it is not certain that any portion of the total facility will be utilized, the fees are capitalized and classified as prepaid facility service charges, which are amortized over the period of the related facility.
- Loans are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date
- Capitalisation should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation should be suspended during periods in which active development is interrupted.
- All other financial costs are recognized at the income statement during the incurred period

3-5 Right of use assets

A-Recognition and initial measurement:

- The Company recognises a right of use asset at the lease commencement date.

- Asset is measured at cost, which comprises the present value of lease payments that are not paid at that date.

  Lease payments are discounted using the interest rate implicit in the lease; if that rate cannot be readily determined, the lessee's incremental borrowing rate is used instead, The cost also includes any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred, and the estimated costs of dismantling and removing the underlying asset, as well as restoring the site on which the asset is located or restoring the asset itself to the condition required under the terms and conditions of the lease agreement.

B-Right of use assets subsequent measurement:

- The right of use asset is subsequently measured by cost model after the lease commencement date. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

C-Amortization

- The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. (EAS no.10)The right of use asset is amortized on a lease term, if ownership of the leased asset transferred to the company at the end of the lease term or if the company will exercise the purchase option. Otherwise, right of use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

3-6 Projects under construction

- Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction, projects under construction are measured at cost less accumulated impairment losses. No depreciation is charged until the project is completed and transferred to fixed asset.
- All expenses related to cost include direct and necessary to prepare the asset to the state that is ready to use and in the purpose for which it was acquired. The asset is transferred from projects under construction to fixed assets when it is completed and ready to use.

3-7 Real estate investments

- The company shall recognize the property investment firstly at the cost when probable future economic benefits flow will be in the interest of the company, the company can measure the property investment accurately when the company intends to keep or rent these assets or the company expects an increase in the value of the property investment, or both.
- The real estate investment cost includes all the costs for its acquisition.

- After initial recognition, real estate investment is measured according to EAS no. (10).

3-8 Long term investments

- Long-term investments are recorded at cost as of the date of loss of significant influence. In the event that the recoverable amount of any such investment falls below its carrying amount, the carrying value of that investment is adjusted to reflect the impairment loss, and the amount of the impairment is charged to the income statement for each investment separately.
- An investor (the company) loses its significant influence over the investee when it no longer has the ability to participate in making decisions related to the financial and operating policies of that investee.
- The loss of significant influence may occur regardless of whether there is a change in the absolute or relative ownership levels. For example, this may happen when the associate becomes subject to government control, judicial administration, an appointed administrator, or a regulatory authority. It may also occur as a result of a contractual arrangement.

3-9 Financial investments at fair value through profit or loss

- These are investments in investment fund documents and are recorded at acquisition cost and are evaluated according to the last declared redemption value, the differences in the change in the redemption value are included in the income statement.

3-10 Inventories

- Inventories are stated at the lower of cost or net realizable value. The net realizable value is estimated at the selling price in normal activity, less the expected cost of completing those items, in addition to the selling expenses for that inventory.
- The cost of inventory is represented in the cost of acquisition and in addition to the necessary costs associated with the inventory to its location which to be ready for use.
- **A-Raw material and spare parts:**
  -Cost is determined in accordance with the weighted average cost method.
- **B-Finished goods**:
  - Determined at the lower of manufacturing overhead cost or net realizable value.
  - Manufacturing costs are determined based on (direct materials, direct labor, and both direct and indirect manufacturing overheads.)

C-Merchandise Inventory :

- Inventory is valued at purchase cost, including all costs incurred to bring the inventory to its present location and condition ready for sale
- Inventory is stated at the lower of weighted average cost and net realizable value

3-11 Trade receivables, and other receivables

- Accounts receivable represent amounts due for sales in the course of business. If these amounts are expected to be collected within a year or less, they are classified as current assets. Otherwise, they are classified as non-current assets.
- Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate less impairment losses.
- Trade, notes receivables, and other receivables which does not include interests are recognized at nominal value net of any impairment losses. The impairment is calculated based on actual historical data that has occurred. Impairment losses are measured as the difference between the reccoverable carrying amount and the present value of estimated future cash flows.

3-12 Related party transactions

- The company's related party transactions in the context of its normal activity are recognised according to pricing policies and terms approved by the boards of directors, with the same conditions and impact with unrelated party on income and financial position without any discrimination.
- Related party relations and transactions are disclosed in the notes of the financial statements.

3-13 Financial instruments
A-Financial instruments other than derivatives

- The company does not use financial instruments derivatives, whether for the purpose of hedging risks or trading, and financial instruments other than derivatives include equity instruments, debt instruments, customers and other debit balances, cash and cash equivalents, loans, trade and other payables.

B-Impairment

A) **Financial assets**

- The carrying values of financial assets are reviewed at the date of the financial statements for the purpose of determining whether there is any impairment in their value. A financial asset is considered impaired if there is objective evidence that one or more events have had a negative impact on future cash flows from the use of this asset.

- The impairment test for significant financial assets is carried out individually at the level of each asset. As for other financial assets, which can and can be classified into groups in light of the characteristics of credit risk, the impairment test is conducted at the level of groups that share the same credit risk characteristics.
- All impairment losses are recognized in the income statement. The accumulated losses related to a financial asset available for sale that were previously recognized in equity are transferred to the income statement if the decrease in its value indicates a decrease in the value of the financial asset available for sale.
- Impairment losses are refunded if it can be linked objectively to an event that occurred after the recognition of impairment losses related to financial assets measured at amortized cost and financial assets that are considered a debt instrument in the income statement. Impairment losses in the value of financial assets available for sale are refunded by equity

B) **Non-financial assets**

- The carrying values of non-financial assets other than inventory and deferred tax assets are reviewed at the date of the financial statements to determine whether there is any indication of impairment. The recoverable value of these assets is estimated.
- An impairment loss is recognized if the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. The impairment losses are recognized in the statement of income.
- The recoverable amount of an asset or cash-generating unit is its value in use or its fair value less costs to sell, whichever is greater. The expected future cash flows are discounted to the present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks associated with the asset.
- Impairment losses recognized in prior periods for non-financial assets are reviewed at the date of the financial statements to determine the extent to which there are indications that the loss has decreased or not. The impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount, and the impairment loss is reversed within the limits so that the carrying amount of the asset does not exceed the carrying amount that would have been calculated after deducting depreciation or amortization if the impairment loss had not been recognised.

3-14 Financial policies have been implemented starting 2021- Egyptian accounting standards No.47

Impairment of financial assets

- The company reviews financial assets, excepts for assets that are measured at fair value, to estimate the extent of impairment in their value through three phases

1- **Phase one**: the financial assets that are not encountered significant encountered significant increase in credit risk and credit loss over for 12 months is calculated
2- **Phase two**: the financial assets that encountered significant increase in credit risk and credit loss over their useful life is calculated
3- **Phase three**: the financial assets that are impaired and credit loss is calculated over its useful life, loss is their difference between the net book value of the assets and the expected future cash flow from this asset.

B-Credit loss and impairment losses are measured in value that related to the financial instruments as follows: -

-Low risk financial instruments are classified when recognized on phase one and credit loss is closely monitored continually through the company

- If there is determination of material increasing in credit losses on 1st recognition, the financial instruments to be transferred to phase two since there is no consideration of impairment losses in this phase

-If there is indicator of impairment losses thus the financial instruments to be transferred to phase three

3-15 Financial Instruments and risk management

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.

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 the Management.

Foreign currency risk:

- Foreign currency risk arises from fluctuations in exchange rates that affect payments and receipts conducted in a currency other than the company's functional currency.

- With regard to other financial assets and liabilities denominated in foreign currencies, their net exposure to such risks is maintained at an acceptable level by buying or selling foreign currencies at prevailing rates at a given time, when necessary, to address any short-term imbalances.

Interest rate risk:

- Foreign currency risk arises from fluctuations in exchange rates that affect payments and receipts conducted in a currency other than the company's functional currency.
- With regard to other financial assets and liabilities denominated in foreign currencies, their net exposure to such risks is maintained at an acceptable level by buying or selling foreign currencies at prevailing rates at a given time, when necessary, to address any short-term imbalances.

3-16 Cash and equivalents

- Cash and cash equivalents include cash balances held in banks and on hand, demand deposits, and bank overdrafts that are repayable on demand and form an integral part of the company's cash management system. They also include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value

3-17 Capital management

- The company's capital management aims to maintain the company's ability to continue as a going concern, in order to provide returns to shareholders and benefits to other stakeholders who rely on the financial statements. It also seeks to maintain an optimal capital structure with the objective of minimizing the cost of capital.
- To maintain an optimal capital structure, the company undertakes measures such as increasing capital or reducing the company's outstanding debt.

- The company monitors its capital structure using the net debt to total financing ratio. Net debt comprises total borrowings, trade payables, and promissory notes, less cash and cash equivalents. Total financing is represented by the company's total equity, as presented in the statement of financial position, plus net debt.

3-18 Legal reserve

- According to the Company's law requirements and the statutes of the company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level, then the company is required it resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital, the legal reserve is non-distributable.

3-19 Lease contract obligation
A-Initial recognition

- The Company recognizes a lease liability at the lease commencement date.
- The lease liability is initially measured at cost, at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
- The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.
- The lease payments at the start of the lease that are not paid at the start date of the lease consist of fixed payments less any lease incentives receivable, and variable payments based on an index or rate.
- The lease payments also include amounts expected to be paid under residual value guarantees.
- And the exercise price of the purchase option if the lessee is reasonably certain to exercise that option.
- Payments of fines for termination of the lease if the lease term reflects the exercise of the option to terminate the lease.

B-Subsequent measurement of the lease obligation

- After the commencement date of the lease, the lease liability is measured by increasing or decreasing its carrying amount to reflect interest, lease payments, and any Re-measurement or modification of the lease. Interest expenses related to the lease liability and variable lease payments not included in the initial measurement of the lease liability are recognized in the income statement during the period in which the event or condition that triggers those payments occurs.
- The lease liability is Re-measurement by discounting the revised lease payments using a revised discount rate.
  If there is a change in the lease term, the revised lease payments are determined based on the modified lease term.

- the lease liability is Re-measurement if there is a change in the assessment of the purchase option for the underlying asset. The lease payments are adjusted to reflect the change in the amounts payable under the purchase option

3-20Provisions

- Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate.

Income and deferred Tax

A-Income tax

- The recognition of the current tax and deferred tax as income or expense in profit or loss for the year, except in cases in which the tax comes from process or event recognized - at the same time or in a different period - outside profit or loss, whether in other comprehensive income or in equity directly or business combination.

B-Deferred tax

- Deferred tax is recognized as an asset or liability in the financial position, arising from temporary time differences between the book value of assets and liabilities according to the tax basis.
- Tax Law No. 91 for 2005 came with a tax depreciation system that led to a difference in accounting profit from tax profit due to the different periods of recovery of fixed asset values, and since tax depreciation leads to depreciation of asset values at periods less than accounting depreciation, which leads to the deportation of tax obligations to financial periods in which it becomes, the tax profit and tax obligations are not commensurate with the accounting profit, and those periods are charged with tax obligations resulting from previous periods. It is followed by periods in which the accounting depreciation is greater than the tax depreciation, and in this case, the previously created tax obligations are used.
- Deferred tax asset arising from the tax losses carried forward, the right to unused tax deduction and deductible temporary differences are recognized when there is a strong possibility of achieving taxable profits in the future through which this asset can be used, and the unrecognized deferred tax assets are reassessed at the end deferred tax assets that were not previously recognized to the extent that it becomes likely in the future that there will be a tax profit that would allow absorbing the value of the deferred tax asset.
- The deferred tax value is measured based on the expected method to realize or settle the values of assets and liabilities using the tax rates in effect at the date of preparing the financial statements.
- When measuring deferred tax at the end of the ffinancial year, the tax effects of the procedures followed by the company to recover or pay the book value of its assets and liabilities are taken into consideration.

- Deferred tax assets and liabilities are offset only if certain criteria are met.

3-22 Trade and other payables

- Trade payables are recognized at their nominal value, and liabilities (payables) are recognized at the amounts to be paid in the future in exchange for the goods and services received.

3-23 Revenue from contracts with customers

In accordance with Egyptian Accounting Standard (EAS) No. 48 – "Revenue from Contracts with Customers",
Revenue is measured based on the consideration specified in the contract with the customer, net of any discounts, commissions, or taxes, if applicable.
The Company recognizes revenue from contracts with customers in accordance with the five-step model set out in
Step 1: Identify the contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations, and set the criteria that should be satisfied for each contract.
Step 2: Identify the performance obligations in the contract. The performance obligation is a promise in a contract with a customer to transfer to the customer either: a good or service.
Step 3: Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring.
Promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract. If the contract contains more than one performance obligation, the company will allocate the transaction price to each obligation at an amount reflecting the consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue recognition

- Revenue is measured at the fair value of the consideration received or receivable, arising from the sale of goods, excluding value-added tax (VAT), discounts, and rebates.
- Revenue is recognized when it can be reliably measured, when it is probable that the economic benefits associated with the sale will flow to the company, when the related costs (whether incurred or to be incurred) can be measured reliably, and when other specific conditions related to each of the company's activities, as outlined below, are met

Goods sold

- Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, the inflow of economic benefits is probable, the associated costs and the potential returns can be measured reliably, there is no continuing managerial involvement associated with the goods, and the amount of revenue can be measured reliably and revenue is measured net of returns, trade discounts, and volume rebates.
- Some sales may contain a financing component, depending on the credit period granted for each transaction, with a maximum of one year from the transaction date .
- The determination of the timing at which the Company has transferred the significant risks and rewards of ownership varies depending on the terms of the sale agreement

3-24 Investment income

- Revenues from financial investments are recognized when the right of the company's shareholders to the distributions made by sister companies and available for sale in the financial period in which those dividends are approved by the general assemblies of the investee companies is established.
- Investment income is recognised within the limits of the dividends the company receives from the investee companies, which are realized after the date of acquisition, as of the date of the distribution decision issued by the general assemblies of the investee companies, which approved the dividends distribution.

3-25 Finance income

- Financing income includes interest income on invested funds, dividends received, profits realized from the sale of financial investments available for sale, and changes in the fair value of financial investments at fair value through profit and loss. Interest income is recognized on an accrual basis using the effective rate of return method.
- Dividend income from investments is recognized when the company's right to dividends is established, in the financial period in which those dividends are approved by the general assemblies of the investee companies.

3-26 Expenditures

- All expenditures including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

Lease payments

- Payments for operating lease contracts from third parties are recognized in the statement of income on a straight-line basis over the term of the contract, and the collected rental incentives are recognized in the statement of income as an integral part of the total rental expense.

Pension Plan

- The company pays the social insurance subscription that related to the employees to the General Authority for social insurance based on the social insurance legal instruction no (148) for year 2019 and its amendments, and further the company pays subscriptions for employees' pension system based on the procedures approved by the board of directors with fixed rates from employees' salaries and are charged to the income statements. the company is not obligated to settle any liabilities other than the contribution amounts mentioned above.

Finance costs

- Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit, or loss impairment losses recognized on financial assets.
- Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method.
- Foreign currency gains and losses are reported on a net basis.

3-27 Shares profitability

- Earnings per share (EPS) is calculated by dividing the company's net profit by the weighted average number of outstanding shares at the balance sheet date, after deducting taxes, employees' share of profits, and the board of directors' remuneration, in accordance with the resolution of the most recent general assembly.

3-28 Employees' share of profits

- In accordance with the companies law and the basic regulations of the company, 10% of the company's profits are distributed to employees provided that they do not exceed the total annual wages for them for the last financial year before distribution and recognizes the share of employees in profits as part of the dividends in property rights and obligations ,The employees' profit share is recognized as a dividend distribution in the statement of changes in equity, and as a liability in the financial year in which such profits are approved.

4 **Fixed Assets**

Year 2025

	Land*	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Tools & Supplies	Total	Right of use Assets
Cost:								
Cost as at January 1, 2025	272 669 885	329 113 869	2754 019 166	29 283 568	201 389 870	62 371 544	**3648 847 902**	4 432 671
Additions during the year	-	24 419 026	22 996 358	-	47 041 738	157 330	**94 614 452**	-
Disposals during the yea	-	-	-	(583 550)	-	-	**(583 550)**	-
Balance at 30 June 2025	**272 669 885**	**353 532 895**	**2 777 015 524**	**28 700 018**	**248 431 608**	**62 528 874**	**3 742 878 804**	**4 432 671**
Accumulated Depreciation as at January 1, 2025		242 364 081	1925 693 405	11 814 275	93 805 948	55 235 124	**2328 912 833**	3 648 211
Depreciation for the the period		2 475 741	22 970 692	1 988 194	15 790 472	694 442	**43 919 541**	364 665
Disposals during the period	-	-	-	(583 550)	-	-	**(583 550)**	-
Accumulated Depreciation at June 30 2025	-	**244 839 822**	**1 948 664 097**	**13 218 919**	**109 596 420**	**55 929 566**	**2 372 248 825**	**4 012 876**
Net Book Value at 30 June 2025	**272 669 885**	**108 693 073**	**828 351 427**	**15 481 099**	**138 835 188**	**6 599 308**	**1 370 629 980**	**419 795**
Net Book Value at 31 December 2024	**272 669 885**	**86 749 788**	**828 325 761**	**17 469 293**	**107 583 922**	**7 136 420**	**1 319 935 069**	**784 460**

* Lands in-kind share of 180 acres represents Egyptian Petrochemical Company share, one of the petroleum sectors companies, upon the establishment of the company and it was evaluated by three legal committees at that time. All the in-kind shares were registered in the Real Estate Registry except for 70 acres space because of a legal dispute between the Egyptian Petrochemicals Company and Al-Nahda Company the land seller on the space difference deficit, not a dispute over ownership. Knowing that all the company's buildings are built on these lands, and the company has had a quiet and stable possession since 1998.

* An area of approximately 116 acres owned by the company, other than its public benefit spaces, based on fully registered contracts, except for a 14-acre plot, other than its public common benefits area. And it was found that there was a judicial dispute over this plot between the seller and others. The company has taken all legal procedures to preserve its rights and the company has a quiet and stable possession. Part of this land is included in the real estate investment of the company.

* During 2019 the Company purchased a land of approximately 76 acres excluded the common public benefit space, and it was transferred to the Company's ownership according to ownership contracts registered in the Real Estate Registry.

* Production assets are fully depreciated with aand still in operation amounted 126 Million EGP .

4 **Fixed Assets**

Year 2026

	Land*	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Computers	Tools & Supplies	Total	Right of use Assets
Cost:									
Cost as at January 1, 2026	188 553 670	390 296 418	2 794 969 311	43 754 628	105 448 453	204 577 197	62 562 199	3 790 161 876	1 932 675
Additions during the year	-	51 315 517	49 390 153	5 519 644	3 220 044	1 655 737	10 244 660	121 345 755	-
Disposals during the yea	-	-	-	-	-	(22 368)	-	(22 368)	-
Account adjustments for the year	-	-	-	720 000	-		-	720 000	(720 000)
Balance at 30 June 2026	**188 553 670**	**441 611 935**	**2 844 359 464**	**49 994 272**	**108 668 497**	**206 210 566**	**72 806 859**	**3 912 205 263**	**1 212 675**
Accumulated Depreciation as at January 1, 2025	-	247 245 231	1950 184 450	18 291 857	39 984 417	100 050 438	56 601 334	2 412 357 727	1 701 818
Depreciationthe period	-	2 935 559	12 916 883	3 675 835	5 468 518	18 641 654	1 146 516	44 784 965	120 271
Disposals during the period	-	-	-	-	-	(22 368)	-	- 22 368	-
Account adjustments for the year	-	-	-	720 000	-	-	-	720 000	(720 000)
Accumulated Depreciation at June 30 2026	-	**250 180 790**	**1 963 101 333**	**22 687 692**	**45 452 935**	**118 669 724**	**57 747 850**	**2 457 840 324**	**1 102 089**
Net Book Value at 31 June 2026	**188 553 670**	**191 431 145**	**881 258 131**	**27 306 580**	**63 215 562**	**87 540 842** #	**15 059 009**	**1 454 364 939**	**110 586**
Net Book Value at 31 December 2025	**188 553 670**	**143 051 187**	**844 784 861**	**25 462 771**	**65 464 036**	**104 526 759**	**5 960 865**	**1 377 804 149**	**230 857**

* Lands in-kind share of 180 acres represents Egyptian Petrochemical Company share, one of the petroleum sectors companies, upon the establishment of the company and it was evaluated by three legal committees at that time. All the in-kind shares were registered in the Real Estate Registry except for 70 acres space because of a legal dispute between the Egyptian Petrochemicals Company and Al-Nahda Company the land seller on the space difference deficit, not a dispute over ownership. Knowing that all the company’s buildings are built on these lands, and the company has had a quiet and stable possession since 1998.

* An area of approximately 116 acres owned by the company, other than its public benefit spaces, based on fully registered contracts, except for a 14-acre plot, other than its public common benefits area. And it was found that there was a judicial dispute over this plot between the seller and others. The company has taken all legal procedures to preserve its rights and the company has a quiet and stable possession. Part of this land is included in the real estate investment of the company.

* During 2019 the Company purchased a land of approximately 76 acres excluded the common public benefit space, and it was transferred to the Company's ownership according to ownership contracts registered in the Real Estate Registry.

* Production assets are fully depreciated with aand still in operation amounted 140 Million EGP .

5- Right of use assets

	30/6/2026	31/12/2025
Vehicles	EGP000	EGP000
Cost at the beginning of the period	1 933	4 433
Disposals during the period	(720)	(2 500)
Cost as at June,30 2026	**1 213**	**1 933**
Accumulated amortization		
Accumulated amortization, beginning balance	1 702	3 648
Accumulated amortization adjustments	(720)	(2 500)
Add: amortization during the year	120	554
Accumulated amortization at June,30,2026	**1 102**	**1 702**
Net book value at June,30,2026	**111**	**231**

The financial impact of applying EAS related to finance lease no. (49) Lease contracts

Right of use assets recognized on statements of income for the period ending June,30 2026		
Amortization for the period	120	554
Interest of financial lease	31	266
Total	**151**	**820**

6- Projects under process

	30/6/2026	31/12/2025
	EGP000	EGP000
Propylene project and utilities	281 553	281 553
Resources management system (Orkal ERP)	4 566	4 566
Steam energy generation Project	896 040	801 352
Development of administrative buildings	-	34 671
Gas reduction and metering station	29 750	27 360
Camera systems for factories and buildings	29 167	29 167
Total	**1 241 076**	**1 178 669**
Net	**1241076**	**862 165**
less		
Impairment of assets (Propylene Project and Utilities)	**(281 553)**	**(281 553)**
Net	**959 523**	**897 116**

7- Property investments

The property investments represent the value of the allocated land as right of use, according to the contract with the Egyptian Company for Ethylene and its Derivatives during year 2012

		30/6/2026	31/12/2025
		EGP000	EGP000
The value of lands allocated for right of use (cost)	Ethedco	13 396	13 396
The value of lands allocated for right of use (cost)	Draschem	84 116	84 116
Total		**97 512**	**97 512**

8- Long-term investment

	Percentage of shares	30/6/2026 EGP000	31/12/2025 EGP000
Egyptian Ethylene and Derivatives Company - Ethedco	**20%**	958 303	958 303
Petrochemicals Logistic Services Company-PLS	**20%**	43 607	43 607
Wood Technology Company-Wotech	**28%**	1 746 721	1 333 386
Red Sea National Petrochemicals Company	**5%**	234 378	234 378
Alexandria for Clerk Fiber Company	**20%**	57 310	57 310
The Egyptian company for organic ethanol	**7.50%**	101 088	101 088
Alexandria Supply Chain Company	**22.5%**	41 029	41 029
less:			
Provision for Investment risk		(57 310)	(57 310)
Total		**3 125 126**	**2 711 791**

* Wood Technology Company increased its issued capital from 132 Million Euro to 199 million Euro by amount of 67 million Euro within the authorized capital , and the share of Sidi Kerir Petrochemicals Company amounted to about 18,760 million Euro and 88 % from the second increase has been paid through during March 2026

* Red Sea Company recalled 50% of its issued capital amounted to 600 million Dollars, during the financial year 2021, and Sidi Kerir Petrochemicals Company share amounted to about 15 million Dollars, equivalent to 234,378 million Pounds which has been fully paid. the remaining portion of the capital will be paid in accordance with the capital call schedule and according to the related implementation and the approved financial model.

* The contribution of the company in the paid up capital of the Egyptian company for Ethylene is 7.5% amounting to 3.180 million dollars It is one of the green projects that supports sustainability to reduce carbon emissions, and it has been paid in full

* The decisions of the Ordinary General Assembly of the Iskanria Fiber Company were issued and a judicial liquidator was appointed for the company, who assumed his responsibilities. The Ordinary General Assembly of the company was invited to convene on 12-28-2023 and issued its decision to authorize the liquidator, Mr. Abdullah Muhammad Al-Adly, or whomever he delegates, to terminate the company’s contract and erase the record. Commercial and termination of liquidation ,there is no redemption value for the investment in Alexandria Fiber Company (under liquidation) and a full provision for the investment value has been made during previous years with a total of 57,310 million EGP

9- Inventories

	30/6/2026 EGP000	31/12/2025 EGP000
Chemicals and packaging materials	232 777	298 270
Spare parts inventory and auxiliary materials	990 779	1 154 902
Raw materials & equipment inventory	177 433	129 398
Available for sale inventory	698 187	1 415 695
Finished goods inventory	1 766 098	460 132
Total	**3 865 274**	**3 458 397**

10- Trade and notes receivable

	30/6/2026 EGP000	31/12/2025 EGP000
Polyethylene trade receivables	487 353	324 223
Ethalin trade receivables	-	3 894
Polymer trade receivables from raw materials -imported	0	-
Total	**487 353**	**328 117**
Less :		
Expected credit loss	(1 088)	(1 216)
Net	**486 265**	**326 901**

11- Due from related parties

	The year 2026 transactions by million	Kind of transactions	30/6/2026 EGP000	31/12/2025 EGP000
Egyptian General Petroleum Corporation (EGPC)	1074	Selling naphtha and ethylene products	837 355	214 594
The Egyptian Holding Company for Petrochemicals	22	Technical assistance and product distribution	31 394	32 652
Styrenks Company	-	Technical services	120 544	116 811
The Egyptian Ethylene and Derivatives Company (ETHYDCO)	403	Usufruct, supply and sale of raw materials	172 979	80 931
Alexandria Petroleum Maintenance CO.(Petromaint)	85	Technical services	23 844	6 295
Red Sea Company	-	Polypropylene License	538 543	523 220
Total			**1 724 659**	**974 503**
Less:				
Expected credit losses			(139 601)	(80 487)
Net			**1 585 058**	**894 016**

12 Advance payments

	30/6/2026 EGP000	31/12/2025 EGP000
UOP Company	8 797	8 797
ABB Industrial system and Power	195	195
Consukorra For Trade Agencies & Tech Consultations	38 359	41 142
Total	**47 351**	**50 134**

13 Other debit balances

	30/6/2026 EGP000	31/12/2025 EGP000
Value added tax refundable	463 564	498 851
Accrual deposit interests	1 390	15 330
Advanced payments for suppliers and constructors	352 698	190 490
Employees loans	161 121	180 985
Income tax prepayments	570 727	724 212
Prepaid expenses	14 020	32 765
Sales tax "Vat" from Customs Department	19 525	14 907
Deposit with others	563	563
Total	**1 583 608**	**1 658 103**
Less:		
Expected credit losses	(23)	(188)
Net	**1 583 585**	**1 657 915**

14 Current investments

		30/6/2026 EGP000	31/12/2025 EGP000
Investment Certificates	14/1	489 164	185 565
Treasury bills	14/2	561 043	-
Total		**1 050 207**	**185 565**

14/1 Financial investments through profit and losses

	30/6/2026 EGP000	31/12/2025 EGP000
Investment Certificates	489 164	185 565
Total	**489 164**	**185 565**

14/2 Treasury bills at amortized cost

	30/6/2026 EGP000	31/12/2025 EGP000
Treasury bills	576 900	-
Less :		
Unrealized gain	(15 857)	-
Total	**561 043**	**-**

15 Cash at banks and time deposits

		30/6/2026 EGP000	31/12/2025 EGP000
Time deposits	15/2	589 899	2 306 590
Cash at banks	15/1	176 326	401 369
Governmental payment system		76	25
Total		**766 301**	**2 707 984**
Less:			
Expected credit losses		(3 753)	(11 053)
Total		**762 548**	**2 696 931**

15/1 Cash at banks

	30/6/2026 EGP000	31/12/2025 EGP000
Current Account – EGP	173 552	345 068
Current Account – USD	2 774	56 301
Total	**176 326**	**401 369**

15/2 Time deposits

	30/6/2026 EGP000	31/12/2025 EGP000
Time deposits– EGP	24 575	1 216 120
Time deposits – USD	565 324	1 090 470
Total	**589 899**	**2 306 590**

* Balances in foreign currencies were revalued at the balance sheet date based on the exchange rate of EGP 49.18/ Dollars

** Deposits appearing in the financial statements include 100 million EGP held as collateral against open letters of credit and short-term credit facilities.

*** Deposits appearing in the financial statements include 10.500 million USD held as collateral against open letters of credit and short-term credit facilities.

16 Issued and paid-up capital

	No. of shares	Issued and paid-up cap	Shares Percentage
Egyptian holding company for petrochemicals	226 800 000	453 600 000	20%
The insurance fund for government worker	235 326 317	470 652 636	21%
The insurance fund for private and public sector workers	138 841 132	277 682 264	12%
The Egyptian Petrochemical company	78 507 694	157 015 388	7%
The National Investment Bank	78 507 694	157 015 388	7%
El-Ahly Capital	78 507 694	157 015 388	7%
Misr Insurance company	21 033 512	42 067 026	2%
Naser bank	15 120 000	30 240 000	1%
Other shareholders	261 355 955	522 711 910	23%
Total	**1 134 000 000**	**2 268 000 000**	**100%**

- The authorized capital amounted to 5.100 billion EGP and the issued and paid-up capital is 2.268 billion EGP distributed over the number of 1134 million shares with a nominal value per share of 2 Egyptian pounds.

- The Ordinary General Assembly, in its session held on 5/04/2026, approved a cash dividend of EGP 0.5 per share, to be distributed within 2026

Earnings per share:

	30/6/2026 EGP000	30/6/2025 EGP000
* Net profit according to the income statement	507 605	1 027 403
Less:		
Legal reserve , Employee's profit share and the board of directors	(62 810)	(109 240)
Net	**444 795**	**918 163**
The weighted average for number of shares	**1 134 000**	**907 200**
Earnings per share	0.39	1.01

17	Other reserves	30/6/2026	30/6/2025
		EGP000	EGP000
	Capital reserve	7 727	5 417
	Investment reserve	1 525 000	1 525 000
	Regular reserve	1 145 000	975 000
	Total	**2 677 727**	**2 505 417**

18	Provisions	30/6/2026	30/6/2025
		EGP000	EGP000
	Potential claims provision	250 000	250 000
	Total	**250 000**	**250 000**

18/1	Provisions	30/6/2026	30/6/2025
		EGP000	EGP000
	Beginning balance1/1/2025	250 000	246 000
	Used during the period	-	(22 593)
	Additions	-	26 593
	Ending balance 31/12/2025	**250 000**	**250 000**

* The company did not disclose the usual information related to provisions in accordance with Egyptian Accounting Standard No. 28, as management believes that such disclosure would affect the outcome of dealings with other parties

19	Deferred tax	30/6/2026	30/6/2025
		EGP000	EGP000
	Beginning balance	183 445	211 943
	Deferred tax for the year	(21 190)	(28 498)
	Ending balance	**162 255**	**183 445**

20	Due to related parties	The period 2026 transactions by million	Kind of transactions	30/6/2026	30/6/2025
				EGP000	EGP000
	Egyptian Natural Gas Company (Gasco)	4022	Raw material supply	2 131 466	1 857 075
	Egyptian Petrochemicals Holding Co	239	supplies	262 359	31 209
	Petrotrade	400	supplies	79 198	100 501
	Total			**2 473 023**	**1 988 785**

21	Other credit balances	30/6/2026	30/6/2025
		EGP000	EGP000
	Trade receivables in advance	230 419	228 440
	Deposits from others	139 384	133 481
	Accrued expenses	933 570	605 963
	Solidarity contribution	21 836	37 452
	Social insurance	567 228	-
	Due to tax Authorities (other than general income tax)	499 575	174 563
	Medical System	36 949	33 633
	End-of-service benefits schemes	237 002	144 120
	Debtors- Scraps	296	82
	Total	**2 666 259**	**1 357 734**

		30/6/2026	30/6/2026	30/6/2025	30/6/2025
22	**Loans and bank credit facilities**				
A-	**Loans**	**EGP000**	**USD000**	**EGP000**	**USD000**
	National Bank of Egypt long-term installments	116 279	2 364	112 662	2 364
	National Bank of Egypt long-term installments (CHP)	188 320	3 829	176 319	3 700
	National Bank of Egypt accrued loan installments during th	245 900	5 000	476 500	10 000
	National Bank of Egypt accrued loan installments during th	134 319	2 731	251 328	5 274
	National Bank of Kuwait Loan-short term	492 031	10 005	350 299	7 352
	National Bank of Kuwait Loan-short term	45 000	-	44 963	-
	Accrued deposit interests	9 372	191	10 689	224
	Total	**1 231 221**	**24 120**	**1 422 760**	**28 915**

-The Company signed credit facility contracts in 19/10/2021 with National bank of Egypt in for five years ending 18/1/2027 for paying the currant payables and the company received 50 million USD that will be payed on quarter bases 20 equally installments of 2.500 million USD except the last installment amounted 2.364 Million USD

The company has signed financial contract for 5.25 years with the National bank of Egypt to be ended 19/6/2028 in the light of industrial pollution control program on which the company has obtained 16,700 Million USD to be paid on quarter year installments 15 installment with an amount of 1.12 Million USD per installment

The company provided the Bank with the guarantee that from the expiry date of the available period and allowing 6 months from the date of signing the financing, the obligation and pledge to transfer an export proceed covering 120% of the value of the quarterly obligations before the maturity date of the loan is made with the possibility of dealing with those receipts in the absence of benefits payable.

Short-term loan from the National Bank of Kuwait amounting to 4.30 million USD to meet current liabilities

Short-term loan from the National Bank of Kuwait amounting to 56 million EGP to meet current liabilities

		30/6/2026	30/6/2026	30/6/2025	30/6/2025
B-	**Bank credit facilities**	**EGP000**	**USD000**	**EGP000**	**USD000**
	NBK credit facility USD	313 913	6 383	496 959	10 429
	Kuwait Finance House Bank credit facility USD	841 930	17 119	1 076 941	22 601
	Export development Bank credit facilityUSD	4 120	83	40 238	844
	Export development Bank credit facility EGP	-	-	182 451	-
	Total	**1 159 963**	**23 585**	**1 796 589**	**33 874**

-The Company signed credit facility contracts with National bank of Egypt for six months renewed up to a maximum of 5 million USD or equivalent in Egyptian Pounds to pay current dues when needed.

-The company has signed credit facilities with Kuwait Finance House Bank bank for six months with up to 30 million USD to pay current dues when needed

-The company has signed credit facility with National bank of Kuwait for 1 year with up to 300 million EGP or equivalent by USD to pay current dues when needed

-Short term credit facility with Export development bank with up to 1.00 million EGP for to pay current dues when needed guaranteed with a billion EGP deposit .

23 Revenue ;-

23/1 Sales (net)

	Quantity sold Tons	30/6/2026 Million EGP	30/6/2025 Million EGP
Ethylene	18 682	1 153.673	789 882
Poly -ethylene*	83 221	5 746.494	5 250 947
Unprocessed petroleum gas	14 208	362.300	336 570
Biotin	1 634	140.612	87 761
Naphtha	1 208	14.857	4 208
Ethan	-	.000	1 752
CO2	6 007	1.890	3 729
LPG Unit Returns	3 606	71.678	60 467
Net importer for sale	17 119	1 042.707	1 016 022
Total	-	**8 534.211**	**7551 338.000**

Poly -ethylene*	Quantity sold Tons	30/6/2026 Million EGP	30/6/2025 Million EGP
Local sales	33 669	2 256.083	2 212 520
Export	49 490	3 488.291	3 029 293
Waste production	63	2.119	9 133
Total	**83 221**	**5 746.494**	**5250 945.999**

23/2 Investment revenue

	30/6/2026 Million EGP	30/6/2025 Million EGP
Right of use	30.470	17 749
Investments in Athedico company	83.376	.000
Total	**113.846**	**17 749.000**

23/3 Other operating revenues

	30/6/2026 Million EGP	30/6/2025 Million EGP
Revenue from scrape production	3.240	19 731
Total	**3.240**	**19 731.000**

23/4 Other income

	30/6/2026 Million EGP	30/6/2025 Million EGP
Other miscellaneous revenue	2.206	10809
Compensations	.000	6497
Capital gain	.951	1563
Total	**3.157**	**18 869.200**

23/5 Credit Interest

	30/6/2026 Million EGP	30/6/2025 Million EGP
Interest from deposits treasury & investments documents	136.476	244338
Total	**136.476**	**244 338.000**

23/6 Foreign currency gain

	30/6/2026 Million EGP	30/6/2025 Million EGP
Foreign currency gain	25.626	18490
Total	**25.626**	**18 490.000**

 Translation from Originally Issued in Arabic

24 **Expenditures**

24/1 **Cost of goods sold**

	30/6/2026	30/6/2025
	Million EGP	Million EGP
Salaries & wages	798.242	679.783
Raw materials &supplies	5725.816	3507.240
Service requirements	1274.047	695.444
Depreciation	19.722	27.939
Add - finished goods beginning balance	460.132	443.450
Less - finished goods ending balance	(1766.098)	(265.524)
Cost of imported product for sale	838.876	963.825
Total	**7 350.738**	**6 052.158**

24/2 **Marketing expenses**

	30/6/2026	30/6/2025
	Million EGP	Million EGP
Salaries & wages	41.525	16. 943
Tools and equipment	-	. 007
Service equipment	97.437	63. 351
Total	**138.961**	**80.301**

24/3 **General and administrative expenses**

	30/6/2026	30/6/2025
	Million EGP	Million EGP
Salaries & wages	170.724	121.709
Materials and supplies	2.632	4.744
Service supplies	313.093	155.746
Depreciation	25.183	16.345
Board of directors meeting attendance allowances	.026	.025
Total	**511.658**	**298.570**

24/4 **Provisions**

	30/6/2026	30/6/2025
	Million EGP	Million EGP
Expected credit losses	51.519	8.753
Total	**51.519**	**8.753**

24/5 **Other expenses**

	30/6/2026	30/6/2025
	Million EGP	Million EGP
Donations and assistance to third parties	22.108	5.676
Solidarity contribution	21.836	19.630
Total	**43.944**	**25.306**

24/6 **Finance expenses**

	30/6/2026	30/6/2025
	Million EGP	Million EGP
Finance expenses	88.866	204.157
Total	**88.866**	**204.157**

25- The company's compliance status:

- The company is subject to the provisions of the Guarantees and Investment Incentives Law No. 8 of 1997 and its Executive Regulations (which has been replaced by Law No. 72 of 2017) and Law No. 159 of 1981 promulgating the Law of Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Single Person Companies, taking into account the provisions of Law No. 95 of 1992 issuing the Capital Market Law and its Executive Regulations. The company also follows the system of advance payments in accordance with Law 91 of 2005 and its amendments, noting that the company was exempt from corporate income tax until 2010 in accordance with the provisions of the Guarantees and Investment Incentives Law No. 8 of 1997 and its Executive Regulations.

25-1 Corporate income tax

- The company is subject to the law no 91 for the year 2005 and its amendments with consideration of the law no 206 for year 2020 and The Unified Tax Procedures Law and its amendments as well as its Executive Regulations

A-Payroll tax

Commitment status:

- The yearly income tax return submits in legal dates and the company regularly paid the tax up till 2023

Inspection status:

- The period till 2019 was inspected, and inspection differences were paid.
- The company has been inspected 2020 till 2022 and all variances are under settlement.

B- Corporate income tax

Commitment status:

- The company submits Tax return on its date on a regular basis and the company regularly pays the taxes till 2023.

Inspection status :

- Tax inspection has taken place till 2014 and all the variances have been paid
- Tax inspection has taken place for the years from 2015 till 2019 resulting tax differences, and the company appealed it, the internal committee discussed it, and documents were presented, but the committee has not issued the report up to date
- The company has not been notified for inspection from year 2020

C-Withholding tax- debit account

Commitment status :

- The company is subject to the advance payments system from the date of its submission in 2011 in accordance with the requirements of the law. The company is committed to pay the estimated amounts during the year. The tax is settled with the tax return at the end of the tax period, and interest is calculated on those payments in accordance with the law.

Inspection status :

- The company has not received any claims from the Tax Authority to date.

D-Withholding tax-credit account

Commitment status :

- The provided models are submitted on legal dates, and the company is regular in paying the amounts it deducts from the customers of the Tax Authority to date on a quarterly basis.

Inspection status :

- The company has not received any claims from the Tax Authority to date.

25-2 Stamp tax

- The company is subject to stamp tax in according to the law no 111 for year 1980 and its amendments, with consideration of the law no 206 for year 2020 .

Commitment status :

- The company regularly submits tax reports on its due dates and regularly pays the tax up to date

Inspection status :

- The period from the beginning till 2014 was examined, and inspection differences were paid.
- The period from 2015 till 2018 was inspected, and the results were appealed, which to shift the dispute to the internal committee.
- The company has been inspected 2019 till 2021 and all variances are settlement.
- The company has not been notified of the inspection for the years from 2019 till 2023.

25-3 Value added tax:

The company is a subject to law No.67 for year 2016 for value added tax and it's amendments taking in consideration law No. 206 for year 2020 and The Unified Tax Procedures Law and its amendments

Commitment status :

- The models are submitted on legal dates, and the company paid monthly tax.

Inspection status :

- The period since operation till year 2017 was examined, and inspection differences were settlement with tax authority.
- The years from 2018 till 2021 have been inspected.
- The years from 2022 till 2023 are under inspection .

25-4Real estate tax :

The company is subject to law No. 196 for year 2008 for real estate no 206 for year 2020 and The Unified Tax Procedures Law and its amendments as well as its Executive Regulations **estate tax** with consideration of the law

Commitment status:

- The company submits and pay the tax return on legal dates, and the company paid all due tax till 2024 .

Inspection status:

- The company's headquarters was inspected and the rental value on which the tax on built real estate is calculated and the beginning of the application was determined from the first of July 2013, and the five-year estimate was re-estimated and the rental value was paid until 2022.

26-Quality certificates

- The company is keen to follow up and apply the latest systems in the transition to a clean and safe environment and to achieve the highest levels of safety and security. The company has obtained the following certificates:
- ISO (9001: 2015).
- Occupational Safety and Health Certificate (45001: 2018).

- Environmental Protection Certificate (14001: 2015).
- Energy Systems Management Certificate (50001: 2018)
- All of the company's products are certified for Food Approval Certificate.
- Non-Organoleptic Compound certificate.
- International accreditation certificate for laboratories certificate (17025: 2017).
- The company obtained a letter of compliance with ISO 26000 system in the field of social responsibility.

27 Environmental and Social responsibility

27-1 Corporate environmental responsibility

- The company has maintained the slogan of a clean and safe environment since its inception by continuously controlling environmental manifestations in order to preserve natural resources and prevent or reduce environmental risks by working in line with the following laws, legislation and instructions:
- Egyptian Environmental Law No. 4 of 1994 and Environmental Law No. 9 of 2009.
- Industrial Exchange Law No. 48 of 1982.
- Minister of Petroleum Decision No. 673 of 1999 regarding the list of hazardous substances and waste within the petroleum sector.
- The company's occupational safety, health and environmental protection management system.
- Obtaining the environmental approval from the Environmental Affairs Agency for the Environmental Impact Assessment Study of Type (B) for the project of establish a sewage treatment plant in the company's administrative buildings.
- Maintaining the cleanliness of the environment, air measurement, and the safe disposal of hazardous and solid waste in the company by regularly delivering it to the hazardous waste landfill in Alexandria while improving the performance of the units, which reduced the quantities of waste generated, as well as the commitment to contracting with specialized companies to transport hazardous waste to the landfill.

- **27-2 Social and sustainable responsibility**
- The company has adopted a clear policy towards commitment to social responsibility, taking into account the rules adopted by the United Nations (SDGS) in the field of sustainable development, where ten goals have been achieved out of the seventeen goals targeted by the system.

- The company believes in its social role in developing the surrounding environment and the importance of the humanitarian role, contributing since its establishment to develop the surrounding environment and near villages in many areas, including:
- Donating and making a permanent contribution in the field of health and medical treatment and purchasing medical devices and all medical supplies for public hospitals to help them confront the new Corona virus.
- Donate and contribute permanently to charitable civil society organizations in the region and the villages surrounding the company and provide their needs to raise the level of the region's infrastructure.
- Donate and contribute to universities, institutes and government schools surrounding the company to provide their needs to support the educational process.
- The company, within it's framework of its expansions and its continuous interest in the surrounding community environment, holds community consultation sessions for the people of the region and popular and executive movements to participate and reach the best ways and what benefits the development and service of the region within the framework of implementing the expansions. the company carries out its role within the limits decided by the company's general assembly.
- To confirm Sidpec's commitment to comply with Egypt's 2030 Strategy for sustainable development, the annual sustainability report was published during 2022, which included the company's various activities carried out in support of and in compliance with the ten principles of the United Nations Global Compact, as well as the seventeen goals of sustainable development.

- **28-Important events**
- The Ordinary General Assembly, held on 10/4/2025, in light of its approval of the company's financial statements for the fiscal year 2024, agreed to distribute cash shares with a coupon value of 1/share in two installments, the first installment being during the month of May 2025 and with a value of 0.5 per share, and the second installment being during the month of October 2024 and with a value of 0.5 pounds per share. The disbursement was made through Misr for Clearing.

- The decision of the Ordinary and Extraordinary General Assembly was issued in their sessions held on 10/4/2025 approving the increase of the company’s issued capital from 1.81440 billion to 2.268000 billion by distributing 226800 million free shares with a nominal value of 2 pounds per share, at a rate of 1 share for every 4 shares and all required procedures are in progress .
- Most of the world, including Egypt, have been exposed since the first quarter of 2022 to a state of economic slowdown at the global and local levels as a result of the repercussions of global conflicts, especially the Russian-Ukrainian war and the delay in supply chains, which appeared to affect all activities differently in Egypt
- As for the company, it has achieved a balance between following proactive measures to change its work cycle to meet operating and production requirements to maintain the continuity of the production process, so the company’s operational capabilities and the operational capabilities of individuals were not affected.
- As for the size and nature of the potential financial impacts of these risks on the items of the financial statements and the company’s activities during future periods, the management does not believe that it is currently possible to determine a quantitative estimate of the potential impact at this stage and in light of the lack of determination of the duration and effects of global conflicts, as the size of the impact varies according to the expected extent and time period in which these events and their impact are expected to end.
- The Board of Directors of the company approved during 2023 the fair value study report for the shares of both Sidpec and Ethidco, prepared by the independent financial advisor (Bakertelli Financial Consulting Company), for the purpose of Sidpec acquiring Ethidco shares using the share exchange mechanism. The Board also issued its initial approval for the exchange ratio and the proposal to increase the company’s issued and paid-up capital according to the following:
- Increasing the company’s capital by a maximum of 876,905,118 shares and allocating those shares to the shareholders of Ethydco who responded to the exchange, without exercising the priority rights in the subscription for the old shareholders of Sidpec Company.
- The Board of Directors approved the adoption of the disclosure form in accordance with Article No. 48 and authorized Mr. Engineer / Chairman of the Board of Directors and Managing Director to introduce any amendments that the General Authority for Financial

Supervision deems appropriate to the disclosure form and to proceed with the procedures for calling an extraordinary general assembly to approve the increase in the company's capital and amend Articles (6 and 7) and to authorize the Board of Directors to amend the company's articles of association in accordance with the shares subject to exchange.

- The company's board of directors agreed on 9/20/2023 to postpone the acquisition deal of SIDPEC of Ethydco until the completion of the procedures for studying one of the strategic investors to acquire a stake in the capital of Ethydco through the partial exit of some of the company's shareholders.
- The company's board of directors approved on10/29/2023 the draft shareholders' agreement for Ethydco Company, which will be signed with Alpha Oryx Limited, which acquired a 30% stake in Ethydco Company's shares after obtaining the necessary legal approvals, fulfilling the preconditions, and authorizing the Chairman of the Board of Directors and the Managing Director to sign it.
- The Prime Ministerial Resolution No. 1711 of 2024 was issued amending some provisions of the Egyptian Accounting Standards, and the company has taken it into consideration, as the currency differences resulting from translating the remaining balance of the obligations with which the assets were financed were recognized within the cost of assets, and the differences in the valuation of assets and liabilities of a monetary nature in foreign currencies were recognized within the items of comprehensive income.
- Prime Ministerial Resolution No. 3527 of 2024 was issued on 10/23/2024 amending some provisions of the Egyptian Accounting Standards by adding a new standard No. 51 "Financial Statements in Hyperinflationary Economies"
- This standard requires adjusting financial statements prepared in the currency of a hyperinflationary economy with the aim of providing useful information about the financial position of the entity, its performance and changes in its financial position to a wide range of users to make economic decisions based on a fair presentation of the financial statements.
- the decision shall be activated after a decision is issued by the Prime Minister or his delegate to determine the start and end date of the financial period or periods during which this standard must be applied when the currency of registration is the local currency, taking into account paragraphs (a), (b), and (c), which has not been issued to date