




شركة سيدى كيرى للبترول وكيمائيات  
**Sidi Kerir Petrochemicals Co.**

Date : 14/11/2024

Attention: The Egyptian Exchange  
greeting,

Please find attached the audited financial statements for the period of January – September 2024 along with the limited review report.

Kind regards.....

  
Mohamed Fathy Aamer  
Financial Control General Manager





**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Financial Statements**

**And limited review’s Report**

**For the Financial Period Ended**

**September 30, 2024**

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## **LIMITED REVIEW REPORT OF REGULAR FINANCIAL STATEMENTS**

To the Shareholders 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 September 30, 2024, and the related statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine 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 these 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 September 30, 2024 and its financial performance and cash flow for the nine months then ended in accordance with Egyptian Accounting Standards.



**The following notes are not qualified matters**

- 1- Legal dispute regarding the area difference of 70 acres for the in-kind shares provided by Egyptian Petrochemicals Company, and legal dispute regarding the area of 19 acres purchased during financial year 2004 have not been resolved yet,
- 2- The feasibility study of propylene project has not been re-examined amounted to EGP 282 million note No (3) in the light of emergencies updates.
- 3- The company's long -term investments have not been evaluated in accordance with the requirements of Egyptian Accounting Standard No. (47)

**DATE 14/11/2024**

**Ahmed Sultan & Co.**  
**Eura Audit International**  
Auditor  
*Ahmed Sultan*  
Ahmed Sultan  
Member of Egyptian Taxation Society  
Ahmed Sultan & Co.  
Member of Eura Audit International

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"****Statement of financial position****As at September 30, 2024**

Translation from Originally Issued in Arabic

	<b><u>Note</u></b> <b><u>No.</u></b>	<b><u>30/09/2024</u></b> <b><u>EGP</u></b>	<b><u>31/12/2023</u></b> <b><u>EGP</u></b>
<b>Non-current assets</b>			
Fixed assets (Net)	<b>1</b>	1214 420 576	1179 630 842
Right of use assets	<b>2</b>	1 007 305	1 670 995
Projects under constructions	<b>3</b>	873 251 513	501 959 792
Real estate investments	<b>4</b>	13 396 214	13 396 214
Non-current investments	<b>5</b>	2521 987 526	2213 838 269
<b>Total non-current assets</b>		<b>4624 063 134</b>	<b>3910 496 112</b>
<b><u>Current Assets</u></b>			
Inventories (Net)	<b>6</b>	2342 196 004	1336 341 362
Trade and notes receivable	<b>7</b>	256 071 505	304 632 624
Due from related parties	<b>8</b>	1880 130 718	1442 058 240
Advance payments	<b>9</b>	26 860 926	43 334 343
Debtors and other receivables	<b>10</b>	1069 291 114	766 728 161
Current investments	<b>11</b>	245 517 397	2311 383 283
Cash and cash equivalents	<b>12</b>	2972 570 932	684 977 841
<b>Total Current Assets</b>		<b>8792 638 596</b>	<b>6889 455 854</b>
<b>Total Assets</b>		<b>13416 701 730</b>	<b>10799 951 966</b>
<b><u>Equity</u></b>			
Issued and paid-up capital	<b>13</b>	1512 000 000	1512 000 000
Avoid under capital increase		302 400 000	-
Legal reserve		756 000 000	630 000 000
Other reserves	<b>14</b>	2230 417 256	1530 350 323
Foreign currency translation (losses)		(444 296 765)	-
Retained earnings		245 365 853	118 998 662
Net profits for the period / year		1888 588 262	2458 697 146
<b>Total equity</b>		<b>6490 474 606</b>	<b>6250 046 131</b>
<b><u>Non Current Liabilities</u></b>			
Loans	<b>19</b>	1530 404 943	828 943 571
Finance lease liabilities		1 030 340	1 030 340
Long term provision	<b>15</b>	246 000 000	246 000 000
Deferred tax liabilities	<b>16</b>	201 680 061	196 382 183
<b>Total Non Current Liabilities</b>		<b>1979 115 344</b>	<b>1272 356 094</b>
<b><u>Current Liabilities</u></b>			
Loans		142 441 438	325 075 562
Bank credit facilities	<b>19</b>	1322 626 463	671 229 857
Finance lease liabilities	<b>19</b>	276 231	988 620
Trade payables		137 787 810	96 064 753
Due to related parties	<b>17</b>	1920 125 242	656 059 360
Other payables	<b>18</b>	955 458 930	792 618 755
Income tax		468 395 666	735 512 834
<b>Total Current Liabilities</b>		<b>4947 111 780</b>	<b>3277 549 741</b>
<b>Total equity and liabilities</b>		<b>13416 701 730</b>	<b>10799 951 966</b>

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

Accountant/ Mohamed Fathy Amer

Accountant / Mohamed Adly Elbarbary

Engineer / Mohamed Ibrahim

General Director of Financial Control

Assistant of the company's president for financial  
and economic affairsChairman of the Board and  
Managing Director

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"****Statement of profit or loss****As at September 30, 2024**

Translation from Originally Issued in Arabic

		<b><u>Financial period from 1/1/2024 to 30/9/2024</u></b>	<b><u>Financial period from 1/7/2024 to 30/9/2024</u></b>	<b><u>Financial period from 1/1/2023 to 30/9/2023</u></b>	<b><u>Financial period from 1/7/2023 to 30/9/2023</u></b>
	<b><u>Note</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Sales from company's operations	(20-1)	8 966 431 403	2 870 701 732	8 073 807 985	2 665 411 402
Sales of commercial units		1 051 925 540	473 035 954	1 658 550 444	503 711 634
<b>Net sales</b>	(20-1)	<b>10018 356 943</b>	<b>3343 737 688</b>	<b>9732 358 429</b>	<b>3169 123 036</b>
<b>Less:</b>					
Cost of sales from company's operations	(21-1)	6841668950	2071481339	5611826721	1949436865
Cost of sales of commercial units		805824510	368298622	1280418531	404619834
<b>Net cost of sales</b>	(21-1)	<b>7647 493 460</b>	<b>2439 779 960</b>	<b>6892 245 252</b>	<b>2354 056 699</b>
<b>Gross Profit</b>		<b>2370 863 483</b>	<b>903 957 727</b>	<b>2840 113 177</b>	<b>815 066 337</b>
<b>Less:</b>					
Marketing expenses	(21-2)	117 644 625	41 313 501	86 254 708	14 171 583
General and administrative expenses	(21-3)	403 939 695	113 107 182	299 909 529	74 153 114
Provisions	(21-4)	26 966 025	(17 608 540)	17 487 344	5 829 115
Other expenses	(21-5)	32 362 414	14 142 681	28 892 412	9 660 705
Finance expenses and interest	(21-6)	198 453 394	90 805 212	97 280 172	34 965 464
Foreign currency losses	(21-7)	28 267 271	6 664 606	222 815 700	(4 519 369)
<b>Total</b>		<b>807 633 424</b>	<b>248 424 643</b>	<b>752 639 865</b>	<b>134 260 612</b>
<b>Add:</b>					
Investment income	(20-2)	352 549 267	-	11 154 746	3 922 446
Other operating income	(20-3)	33 310 629	15 205 598	16 566 480	5 452 009
Other income	(20-4)	5 037 782	1 768 228	5 130 994	3 501 815
Credit interests	(20-5)	408 154 068	185 142 318	233 034 155	91 132 193
<b>Operating income</b>		<b>799 051 746</b>	<b>202 116 145</b>	<b>265 886 375</b>	<b>104 008 463</b>
<b>Net profit before tax</b>		<b>2362 281 805</b>	<b>857 649 228</b>	<b>2353 359 688</b>	<b>784 814 188</b>
Income tax		468 395 666	190 757 719	538 349 790	179 805 613
Deferred tax		5 297 877	3 820 286	710 275	( 66 561)
<b>Net Profit After Taxes</b>		<b>1888 588 262</b>	<b>663 071 223</b>	<b>1814 299 623</b>	<b>605 075 134</b>
<b>Earnings Per Share</b>		<b>2.24</b>	<b>0.79</b>	<b>1.91</b>	<b>0.64</b>

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

Accountant/ Mohamed Fathy Amer

Accountant / Mohamed Adly Elbarbary

Engineer / Mohamed Ibrahim

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**

**As at September 30, 2024**

Translation from Originally Issued in Arabic

	<b><u>Financial period</u></b>	<b><u>Financial period</u></b>
	<b><u>from 1/1/2024</u></b>	<b><u>from 1/1/2023</u></b>
	<b><u>to 30/9/2024</u></b>	<b><u>to 30/9/2023</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Net profit for the period /year	1 888 588	1 814 300
<b><u>Add:</u></b>		
Other comprehensive income		
Foreign currency translation (losses)	( 444 297)	
<b>Total Comprehensive Income for the period</b>	<b><u>1 444 291</u></b>	<b><u>1 814 300</u></b>

**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 September 30, 2024**

Translation from Originally Issued in Arabic

	Capital	Legal reserve	Other reserves	Avoid under capital increase	Retained Earnings	Net Profit for The period	Foreign exchange losses	Total
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
<b>Balance as at January 1, 2023</b>	<b>1 260 000</b>	<b>578 504</b>	<b>1 529 963</b>	<b>252 000</b>	<b>95 915</b>	<b>1 238 078</b>	<b>( 346 596)</b>	<b>4 607 864</b>
Foreign exchange losses (comprehensive income)	-	-	-	-	( 346 596)	-	346 596	-
Bonus shares for 2021 dividends	252 000	-	-	( 252 000)	-	-	-	-
Applying EAS no. (5)	-	-	-	-	( 4 546)	-	-	( 4 546)
Transferred to legal reserves	-	51 496	-	-	-	( 51 496)	-	-
Transferred to other reserves	-	-	387	-	-	( 387)	-	-
Transferred to retained earnings	-	-	-	-	374 226	( 374 226)	-	-
Dividends for the year	-	-	-	-	-	( 811 969)	-	( 811 969)
Net profit for the year	-	-	-	-	-	2 458 697	-	2 458 697
<b>Balance as at December 31, 2023</b>	<b>1 512 000</b>	<b>630 000</b>	<b>- 1 530 350</b>	<b>-</b>	<b>118 999</b>	<b>2 458 697</b>	<b>-</b>	<b>6 250 046</b>
Foreign exchange losses (comprehensive income)	-	-	-	-	-	-	( 444 297)	( 444 297)
Transferred to legal reserves	-	126 000	-	-	-	( 126 000)	-	-
Transferred to other reserves	-	-	700 067	-	-	( 700 067)	-	-
Transferred to retained earnings	-	-	-	-	126 267	( 126 267)	-	-
Dividends for year 2023	-	-	-	-	-	( 1 203 863)	-	( 1 203 863)
Bonus shares	-	-	-	302 400	-	( 302 400)	-	-
Net profit for the Period ended September 30, 2024	-	-	-	-	-	1 888 588	-	1 888 588
<b>Balance as at September 30, 2024</b>	<b>1 512 000</b>	<b>756 000</b>	<b>2 230 417</b>	<b>302 400</b>	<b>245 266</b>	<b>1 888 688</b>	<b>( 444 297)</b>	<b>6 490 474</b>

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**  
**Statement of Cash Flows**  
**For the Financial Period Ended September 30, 2024**

Translation From Originally Issued in Arabic

	<b><u>Note</u></b>	<b><u>30/09/2024</u></b>	<b><u>30/09/2023</u></b>
	<b><u>No.</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>
<b>Cash flows from operating activities</b>			
Net profit before tax and extraordinary items		2 362 281 806	2 353 359 688
<b>Adjustments to reconcile net profit to cash flow From operating activities</b>			
Fixed assets depreciation		47 283 871	54 775 721
Provisions		26 966 025	14 718 844
Credit interests		( 408 154 069)	( 233 034 155)
Investment income		( 352 549 268)	( 11 154 746)
Profit or losses due to assets disposal		-	( 66 933)
Debit interests		198 453 394	97 280 172
Foreign currency (losses)/ gain		28 267 271	222 815 700
<b>Operating profit before changes in working capital</b>		<b>1 902 549 029</b>	<b>2 498 694 291</b>
Changes in trade, notes receivables and other receivables		( 19 436 228)	( 213 694 002)
Changes in inventories		(1 005 854 642)	( 243 563 654)
Changes in trade and notes payable		851 795 674	117 955 495
<b>Cash flow from operating activities before extraordinary items</b>		<b>1 729 053 834</b>	<b>2 159 392 130</b>
Proceeds from credit interests		345 821 311	233 344 487
Payments for debit interests		( 194 437 518)	( 93 815 442)
Payments of income tax		( 219 656 270)	( 266 419 536)
<b>Net cash (used in) operating activities</b>		<b>1 660 781 357</b>	<b>2 032 501 639</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of fixed assets		( 452 701 636)	( 126 825 027)
Current investments		2 065 865 886	( 349 622 970)
Non-current investments		( 308 149 257)	( 459 500 001)
<b>Net cash (used in) investing activities</b>		<b>1 305 014 993</b>	<b>( 935 947 998)</b>
<b>Cash flows from financing activities</b>			
Dividends payable		(1 203 863 021)	( 509 569 074)
Loans		( 7 417 739)	( 105 649 361)
Finance lease liabilities		( 712 389)	( 722 804)
Current bank credit facilities		244 885 574	( 385 617 304)
<b>Cash flows (used in) financing activities</b>		<b>( 967 107 575)</b>	<b>(1 001 558 543)</b>
<b>Cash flows from all activities</b>		<b>1 998 688 775</b>	<b>94 995 098</b>
Foreign exchange differences		35 116 399	164 874 046
Foreign exchange differences (Comprehensive Income)		266 070 532	-
Expected credit losses for cash and equivalents		( 12 282 615)	( 1 989 491)
<b>Net increase (decrease) in cash and cash equivalents during the period</b>		<b>2 287 593 091</b>	<b>257 879 653</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>684 977 841</b>	<b>283 277 831</b>
<b>Cash and Cash Equivalents at the End of the prriod</b>		<b>2 972 570 932</b>	<b>541 157 484</b>

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

**First- Background:**

- 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 with regarding to law no. (9 5) of 1992.
- **Registration in the Commercial Registry**  
The company was registered in Alexandria Investment Commercial Registry under no. 145404 on November 18, 1997.  
-The term of the company was extended until the year 2047 according to the extraordinary general assembly held on 20/3/2022
- **Capital structure:**
  - Authorized capital: EGP 5100 million.
  - Issued and paid-up capital: EGP 1512 million.
  - The company’s issued shares are registered as central depository amounted to 756 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.
- **Head office:**
  - , El-Nahda Street Km 36 Alexandria/Cairo Desert Road near El-Amerya Alexandria, Government Egypt

**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.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**  
**Notes to the Financial Statements**  
**For the Financial Period Ended September 30, 2024**

- **Chairman and Managing Director:**

Engineer / Mohamed Mohamed Ibrahim

- **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.

- **Authorization of the financial statements:**

The financial statements were prepared by the Company’s management, then the audit committee present it to the Board of Directors to authorize for issue and approved on October 16, 2024.

**Second- Basis of preparation of the financial statements**

**Statement of compliance**

- These financial statements have been prepared in accordance with Egyptian Accounting Standards, and in the light of applicable Egyptian laws and regulations. The financial statements have been prepared in accordance with an updated Egyptian Accounting Standards (EAS)
- 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.
- The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**Basis of measurement**

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



### **Functional and presentation currency**

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

### **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

### **Statement of cash flow**

- Cash flow statement is prepared using the indirect method. For the purpose of preparing the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and checks under collections, and bank overdraft balance that is not included in the overall bank credit facilities package. The balance of Bank overdraft that is part of the company's credit facilities is included in the current liabilities in the balance sheet.

### **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.

### **Third: Significant accounting policies**

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

**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. Nonmonetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, all differences from gain and loss from retranslation are recognized in the statement of 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.

**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.

**Property, plant and equipment**

**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 asse 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.

### **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.

### **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:

<b><u>Description</u></b>	<b><u>Rate</u></b>	<b><u>Useful lives</u></b>
Buildings and constructions	5%-2%	20-50 years
Machinery and equipment	5%	20 years
Transportation and vehicles	20%-10%	5-10 years
Tool	20%-10%	5-10 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.

### **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.

### **Borrowing costs**

- Borrowing costs include interest on bank overdrafts and borrowings, finance charges on finance lease and exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest cost are recognised in profit or loss. Capitalisation should commence when borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, are added to the cost of those assets, and depreciated over the useful life.
- 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.

### **Right of use assets**

#### **Recognition and initial measurement:**

- The Company recognises a right of use asset at the lease commencement date.
- The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

#### **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.

#### **Depreciation**

- The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. The right of use asset is depreciated 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.

### **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.

### **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).

### **Long term investments**

- The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if impairment in the value has occurred, it is written off in the period in which those circumstances are identified.
- Long-term investments are recognized at cost on acquiring date, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the

investee after the date of acquisition and the investor's share of the investee's profit or loss is recognised in the investor's profit or loss.

- Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline. Indicators of the value of an investment are obtained by reference to its market value, the investee's assets and results and the expected cash flows from the investment. The type and extent of the investor's stake in the investee are also taken into account. Restrictions on distributions by the investee or on disposal by the investor may affect the value attributed to the investment.

#### **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.

#### **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. Cost of inventories are determined according to the following:
- **A-Raw material and spare parts:** according to its actual cost that have been incurred in bringing the inventories to their present location and condition. Cost is determined in accordance with the weighted average cost method.
- **B-Finished goods:** are determined at the lower of manufacturing overhead cost or net realizable value.

#### **Trade receivables, and other receivables**

- 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 recoverable carrying amount and the present value of estimated future cash flows.

#### **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.

**Financial instruments**

- 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.

**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.

**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.

**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 1<sup>st</sup> 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

**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 transactions denominated in foreign currencies.
- 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.

**Interest rate risk:**

- Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's obligations with variable interest rates. Interest on financial instruments is re-priced with a variable interest rate from one period to another, not exceeding one year.

**Cash and equivalent**

- Cash and cash equivalents include cash on hand, cash in banks and checks under collections, and bank overdraft balance that is not included in the overall bank credit facilities package. The balance of Bank overdraft that is part of the company's credit facilities is included in the current liabilities in the balance sheet.

**Capital management**

- The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and - To maintain a strong capital base to support the development of its business.

**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, this is in accordance with law no.159 of 1981.

**Lease contract obligation**

**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.

#### **Subsequent measurement of the lease obligation**

- After the start date of the lease contract, the lease liability is measured, so the increase or decrease in the carrying amount is measured to reflect the interest and lease payments and any re-evaluation or modifications to the lease contract. The lease contract, in the period in which the event or circumstance that led to these payments occurred.
- The lease contract obligation is re-measured to discount the modified lease payments using a modified discount rate, and if there is a change in the lease term, the modified lease payments are determined based on the modified lease term.
- The lease liability is re-measured if there is a change in the assessment of the option to purchase the underlying asset, and lease payments are determined adjusted to reflect the change in the accrued amounts under the purchase option.

#### **Provisions**

- 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**

##### **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.

##### **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 financial 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.

#### **Trade and other payables**

- Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the suppliers in the ordinary course of business. Creditors are recognized as current liabilities if these liabilities need to be paid within a year or less (or if the ordinary operation process lasts longer) otherwise it recognized as non-current liabilities.
- Trade payables are recognized initially at fair value and subsequently measured at amortized cost using effective interest rate.

#### **Revenue from contracts with customers**

The company recognizes revenue from contracts with customers by applying a five-step model as depicted within EAS no. 48:

**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 from contracts with a customers is recognized when (or with) the entity fulfils its performance obligations by transferring a promised good or service (any asset) to the customer and the asset is deemed to have been transferred when (or with) the customer obtains control of that asset by issuing the invoice, When there is an agreement between the parties to a contract in writing or verbally or in accordance with normal commercial practices and that the parties to the contract undertake to perform their obligations, and the rights of each party and terms of payment can be determined, and it is likely that the monetary consideration will be collected in relation to the goods and services to be transferred, and the contract has commercial content.
- When a contract with a customer does not meet the previous criteria, revenue is recognized when the company has no remaining obligations to transfer goods or services to the customer and all, or nearly all of the consideration promised by the customer has been received, and the contract has been terminated and the consideration received from the customer is not refundable.
- Revenue is measured by determining the transaction price, which represents the consideration to which the entity expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third parties (for example value added tax), and may include the promised consideration in a contract with a customer fixed amounts or variable amounts or both.

### **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.

### **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.

### **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.

**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.

**Shares profitability**

- The company presents data on the basic share of the share of its common shares, the basic share of earnings per share is calculated by dividing the profit or loss related to the shareholders from their contribution to the company's common shares on the weighted average number of ordinary shares listed during the year.

**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 when the General Assembly approves the company's shareholders and does not register any commitments to the share of the two worlds in undiversified profits.

**Translation from Originally Issued in Arabic**

**1 Fixed Assets**

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Tools & Supplies	Right use of assets	Total
<b>Cost:</b>								
Cost as at January 1, 2023	272669885	307444834	2684091067	10879809	106095344	61196749	4432671	3446810359
Additions during the period	-	1036135	9784368	15417493	54696008	695516	-	81629520
Disposals during the period	-	-	-	-	219605	-	-	219605
<b>Cost as at June 30, 2024</b>	272669885	308480969	2693875435	26297302	160571747	61892265	4432671	3528220274
<b>Accumulated Depreciation as at January 1, 2024</b>		239333998	1882284400	9739625	77562618	53826203	2761677	2265508521
Accumulated depreciation during the year	-	2103405	31926107	1073505	10471488	1045676	663690	47283871
<b>Accumulated Depreciation as at September 30, 2024</b>	-	241437403	1914210507	10813130	88034106	54871879	3425367	2312792392
<b>Net Book Value as at September 30, 2024</b>	272669885	67043566	779664928	15484172	72537641	7020386	1007304	1215 427 882
<b>Net Book Value as at December 31, 2023</b>	272669885	68110836	801806667	1140184	28532726	7370546	1670994	1181301838

\* 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.  
\* There are also productive assets that are obsolete and still operating, with a value of approximately 119 million EGP.

<b>2- Right of use assets</b>	<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
<b>Vehicles</b>	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
<b>Cost at the beginning of the period</b>	4 433	5 603
Proceeds during the period	-	( 1 170)
<b>Cost as at September 30, 2024</b>	<b><u>4 433</u></b>	<b><u>4 433</u></b>
<b><u>Accumulated amortization</u></b>		
Accumulated amortization, beginning balance	2 762	2 954
Accumulated amortization adjustments	-	( 1 078)
Add: amortization during the <b>period</b>	664	886
<b>Accumulated amortization as at September 30</b>	<b><u>3 426</u></b>	<b><u>2 762</u></b>
<b>Right of use assets (Net)</b>	<b><u>1 007</u></b>	<b><u>1 671</u></b>

The financial impact of applying EAS related to finance lease no. (49) and the amount is charged to the profit and loss statements for the financial period ended 30/9/2024

Right of use assets recognized on statements of income for the period ending September 30, 2024

Amortization for the period	664	886
Interest of financial lease	350	449
<b>Total</b>	<b><u>1 014</u></b>	<b><u>1 335</u></b>

<b>3- Projects under construction</b>	<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Butagaze modification unit	-	7 086
Propylene project and utilities	281 553	281 553
Resources management system (ERP)	5 752	13 054
Steam energy generation Project	455 989	159 213
Polylactic acid project	-	1 624
Development of administrative buildings	20 990	679
Developing the cybersecurity system	3 096	23 940
Water project for Alex land	2 131	2 131
Gas reduction and metering station	11 770	10 989
Argon gas extinguishing panel	1 722	1 722
Developing fire systems	-	8 679
Rotary air compressors	63 248	-
<b>Total</b>	<b><u>846 251</u></b>	<b><u>510 670</u></b>
<b>Impairment of assets</b>	<b><u>-</u></b>	<b><u>( 8 711)</u></b>
<b>Net</b>	<b><u>846 251</u></b>	<b><u>501 959</u></b>

#### **4- 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 2021

	<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
The value of lands allocated for right of use ( cost)	13 396	13 396
<b>Total</b>	<b><u>13 396</u></b>	<b><u>13 396</u></b>

5- Long-term investment	Percentage of shares	30/9/2024	31/12/2023
		EGP000	EGP000
Egyptian Ethylene and Derivatives Company	20%	958 303	958 303
Petrochemicals Logistic Services Company	20%	43 607	73 840
Wood Technology Company*	28%	1 166 421	885 300
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	92 250
Alexandria Supply Chain Company	25%	18 191	-
<b>less:</b>			
Provision for investment risk		( 57 310)	( 57 310)
Investment impairment		-	( 30 233)
<b>Total</b>		<b>2 521 988</b>	<b>2 213 838</b>

\* Wood Technology Company increased its issued capital from 65 Million Euro to 132 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 has been totally paid through 2023.

\* 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.

\* 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

6- Inventories	30/9/2024	31/12/2023
	EGP000	EGP000
Chemicals and packaging materials	300 279	242 497
Spare parts inventory	684 416	602 932
Auxiliary materials	4 386	5 587
Raw materials & equipment inventory	127 149	103 505
Available for sale inventory	767 639	92 717
Finished goods inventory	458 327	289 103
<b>Total</b>	<b>2 342 196</b>	<b>1 336 341</b>

		<u>30/9/2024</u>	<u>31/12/2023</u>
		<u>EGP000</u>	<u>EGP000</u>
<b>7- Trade and notes receivable</b>			
Polyethylene trade receivables		260 554	294 976
Ethan trade receivables		-	13 313
<b>Total</b>		<b>260 554</b>	<b>308 289</b>
Minus			
Expected credit loss		( 4 482)	( 3 656)
<b>Total</b>		<b>256 072</b>	<b>304 633</b>
<b>8- Due from related parties</b>		<u><b>30/9/2024</b></u>	<u><b>31/12/2023</b></u>
	Kind of transactions	<u><b>EGP000</b></u>	<u><b>EGP000</b></u>
Egyptian General Petroleum Corporation (EGPC)	Selling naphtha ethylene products	1 138 277	877 788
The Egyptian Holding Company for Petrochemicals	Technical assistance and product distribution	108 752	97 113
The Egyptian Ethylene and Derivatives Company (ETHYDCO)	Usufruct, supply and sale of raw materials	33 248	59 904
Styrenks Company	Technical services	121 830	81 695
Petrochemicals Logistic Services Company		117	-
Ebram company	Borrow	1 376	1 376
The Egyptian Linear Alkyl Benzene Co. (ELAB)	Borrow	122	88
Amerya company		185	185
Arab Petroleum Pipelines Company (SUMED)	Nahda road	408	408
The Egyptian company for fertilizers		-	368
The Egyptian company for organic ethanol		1 404	108
Alameen for silicon products		-	13
Red Sea Company	Polypropylene License	521 553	356 177
Wood Technology Company		25	
Other (development of civil protection buildings with the private sector)		316	527
<b>Total</b>		<b>1 927 613</b>	<b>1 475 750</b>
Less:			
Expected credit losses		( 47 483)	( 33 692)
<b>Total</b>		<b>1 880 130</b>	<b>1 442 058</b>
<b>9- Advance payments</b>		<u><b>30/9/2024</b></u>	<u><b>31/12/2023</b></u>
		<u><b>EGP000</b></u>	<u><b>EGP000</b></u>
UOP Company		8 797	8 797
Medjinco International Trade		-	11 348
Paralloy limited		14 773	14 773
The Egyptian company for advanced systems		-	222
Technical Office for Engineering consultations		-	70
Future house		1 908	5 918
ABB Industrial system and Power		1 383	2 206
<b>Total</b>		<b>26 861</b>	<b>43 334</b>



<b>10 Debtors and other receivables</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Value added tax		243 658	106 549
Accrual deposit interests		63 658	1 326
Advanced payments for suppliers and constructors		205 917	223 307
Employees loans		169 324	100 676
`Income tax prepayments		355 189	315 945
Prepaid expenses		431	4 522
Sales tax "Vat" from Customs Department		30 639	13 863
Deposit with others		563	563
<b>Total</b>		<b><u>1 069 379</u></b>	<b><u>766 751</u></b>
<b>Less:</b>			
Expected credit losses		( 88)	( 23)
<b>Total</b>		<b><u>1 069 291</u></b>	<b><u>766 728</u></b>
<b>11- Current investments</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Investment Certificates	<b>11/1</b>	245 517	1 827 987
Treasury bills	<b>11/2</b>	-	483 396
<b>Total</b>		<b><u>245 517</u></b>	<b><u>2 311 383</u></b>
<b>11/1- Financial investments through profit and losses</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Investment Certificates		245 517	1 827 987
<b>Total</b>		<b><u>245 517</u></b>	<b><u>1 827 987</u></b>
<b>11/2- Treasury bills at amortized cost</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Treasury bills		-	494 000
Less			
Unrealized gain		-	( 10 604)
<b>Total</b>		<b><u>-</u></b>	<b><u>483 396</u></b>
<b>12- Cash and cash equivalents</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Time Deposits	<b>12/2</b>	2 759 147	409 590
Cash at banks	<b>12/1</b>	225 265	189 391
Governmental payment system		3 319	88 874
<b>Total</b>		<b><u>2 987 731</u></b>	<b><u>687 855</u></b>
<b>Less:</b>			
Expected credit losses		( 15 160)	( 2 878)
<b>Total</b>		<b><u>2 972 571</u></b>	<b><u>684 977</u></b>

12/1	Bank - current accounts	30/9/2024	31/12/2023
		<u>EGP000</u>	<u>EGP000</u>
	Current Account – EGP	192 831	162 164
	Current Account – USD	32 434	27 227
	<b>Total</b>	<b>225 265</b>	<b>189 391</b>

12/2	Time Deposits	30/9/2024	31/12/2023
		<u>EGP000</u>	<u>EGP000</u>
	Time Deposits-EGP	1 084 347	
	Time Deposits-USD	1 674 800	409 590
	<b>Total</b>	<b>2 759 147</b>	<b>409 590</b>

\* Balances in foreign currencies were revalued at the balance sheet date based on the exchange rate of EGP 48.34/ Dollars

\*\* Deposits appearing in the financial statements include 900 million EGP held as collateral against open documentary credits

\*\*\* Deposits appearing in the financial statements include 4.5 million USD held as collateral against open documentary credits

13	Issued and paid-up capital	No. of shares	Issued and paid-up capital	Shares Percentage
	Egyptian holding company for petrochemicals	151 200 000	302 400 000	20%
	The insurance fund for government worker	156 884 212	313 768 424	20.75%
	The insurance fund for private and public sector workers	92 560 755	185 121 510	12.24%
	The Egyptian Petrochemical company	52 338 463	104 676 926	6.92%
	The National Investment Bank	52 338 463	104 676 926	6.92%
	El-Ahly Capital	52 338 463	104 676 926	6.92%
	Misr Insurance company	14 022 342	28 044 684	1.85%
	Naser bank	10 080 000	20 160 000	1.32%
	Other shareholders	174 237 302	348 474 604	23.00%
	<b>Total</b>	<b>756 000 000</b>	<b>1 512 000 000</b>	<b>100%</b>

- The authorized capital amounted to 5100 billion Pounds and the issued and paid-up capital was 1,512 billion Egyptian pounds distributed over the number of 756 million shares with a nominal value per share of 2 Egyptian pounds.

-

The general assembly meeting dated 10/3/2024 has approved to distribute an amount of 1.25 EGP for each share for transactions executed up till 14/5/2023 and the amount to be paid on two installments on 29/5/2024 with amount of LE 0.75 and on 25/9/2024 with amount of LE 0.50

- The ordinary and extraordinary general assembly meetings dated 10/3/2023 and 29/8/2024 approved to increase the company's issued capital from 1.1512 billion to 1.814400 billion by distributing bonus shares amounted 151,200 million share with nominal value 2 EGP / share with 1 share for each 5 shares and all necessary procedures have been completed and the increase is registered in the company's commercial register. It will be implemented through the Misr Clearing and Distribution Company on 10/10/2024.

	Earnings per share:	30/9/2024	30/9/2023
		<u>EGP000</u>	<u>EGP000</u>
*	Net profit according to the income statement	1 888 588	1 814 300
**	<b>Less:</b>		
	Legal reserve , Employee's profit share and the board of directors	( 196 131)	( 368 710)
13/1	<b>Net</b>	<b>1 692 457</b>	<b>1 445 590</b>
	The weighted average for number of shares	<b>756 000</b>	<b>756 000</b>
	<b>Earnings per share</b>	<b>2.24</b>	<b>1.91</b>

<b>14- Other reserves</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Capital reserve		5 417	5 350
Investment reserve		1 525 000	525 000
Regular reserve		700 000	-
<b>Total</b>		<b><u>2 230 417</u></b>	<b><u>530 350</u></b>
<b>15- Provisions</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Potential claims provision		246 000	246 000
<b>Total</b>		<b><u>246 000</u></b>	<b><u>246 000</u></b>
<b>15/1 Provisions</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Beginning balance		246 000	174 000
Used during the year		-	( 2 768)
Additions		-	74 768
<b>Ending balance</b>		<b><u>246 000</u></b>	<b><u>246 000</u></b>
<b>16- Deferred tax</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Beginning balance		196 382	135 182
Deferred tax for the year		5 298	61 200
<b>Ending balance</b>		<b><u>201 680</u></b>	<b><u>196 382</u></b>
<b>17- Due to related parties</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Egyptian Natural Gas Company (Gasco )	Raw material supply	1 738 304	612 348
Egyptian Petrochemicals Holding Co	Electricity and water supply	181 483	42 773
Petro jet company	Nahda road	332	332
Alexandria for petrol		-	117
Aboear company for petrol		-	478
Others		6	11
<b>Total</b>		<b><u>1 920 125</u></b>	<b><u>656 059</u></b>
<b>18- Trade and notes payables</b>		<b><u>30/9/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Trade receivables in advance		120 652	159 484
Deposits from others		17 222	14 756
Accrued expenses		213 581	383 383
Social contribution for medical insurance		26 182	33 943
Dividend creditors		-	600
Due to tax Authorities (other than general income tax )		384 469	176 808
Medical System		26 061	22 255
Supplementary pension		166 031	20
Debtors- Scraps		1 261	1 370
<b>Total</b>		<b><u>955 459</u></b>	<b><u>792 619</u></b>

19- Loans and bank credit facilities	30/9/2024	30/9/2024	31/12/2023
Loans	USD000	EGP000	EGP000
National Bank long-term installments	22 364	1 081 093	687 704
National Bank long-term installments (CHP)	9 295	449 312	141 239
National Bank accrued loan installments during the year	2 500	120 850	307 500
Accrued deposit interests	447	21 591	17 576
<b>Total</b>	<b>34 606</b>	<b>1 672 846</b>	<b>1 154 019</b>

-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 current payables and the company received 50 million USD that will be paid 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 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.

Bank credit facilities	30/9/2024	30/9/2024	31/12/2023
	USD000	EGP000	EGP000
National bank of Egypt credit facility- USD	1 037	50 108	-
The Arab bank credit facility USD	-	-	154 899
NBK credit facility USD	7 552	365 062	219 771
Ahli united bank credit facility USD	6 178	298 623	352 732
Export development Bank credit facility USD	2 624	126 872	-
NBK credit facility EGP	-	61 190	1
Export development Bank credit facility EGP	-	420 771	-
<b>Total</b>	<b>17 391</b>	<b>1 322 626</b>	<b>727 403</b>

-The Company signed credit facility contracts with National bank of Egypt for 5 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 facility with National bank of Kuwait for 1 year with up to 200 million EGP or equivalent by USD to pay current dues when needed

-The company has signed credit facilities with AlAhli united bank for six months with up to 25 million USD to pay current dues when needed

-Short term credit facility with Export development bank amounted 900 thousand USD for to pay current dues when needed guaranteed with a million USD deposit .

-Short term credit facility with National bank of Kuwait for 1 year with up to 75 million EGP to pay current dues when needed guaranteed with a million EGP deposit

-Short term credit facility with Export development bank with up to 1 billion EGP for to pay current dues when needed guaranteed with a billion EGP deposit .

-Short term credit facility with Export development Bank with maximum amount of 3 million USD to pay current dues when needed

<b>20-</b>	<b>Revenue</b>	<b>Quantity sold</b>	<b>30/9/2024</b>	<b>30/9/2023</b>
<b>20/1</b>	<b>Sales (net)</b>		<b>Million EGP</b>	<b>Million EGP</b>
	Ethylene	22 781	965 797	853 215
	Poly -ethylene	134 044	7 156 989	6 409 502
	Unprocessed petroleum gas	27 683	564 561	364 110
	Biotin	3 184	182 219	163 426
	Naphtha	3 721	36 742	40 632
	Ethan	226	13 860	205 787
	CO2	6 863	2 531	6 653
	LPG Unit Returns	3 114	43 733	30 483
	Net importer for sale	17 481	1 051 926	1 658 550
	<b>Total</b>	<b>0</b>	<b>10 018 358</b>	<b>9 732 358</b>
	<b>Poly -ethylene</b>	<b>Quantity sold</b>	<b>30/9/2024</b>	<b>30/9/2023</b>
		<b>Tons</b>	<b>Million EGP</b>	<b>Million EGP</b>
	Local sales	61 630	3 672 275	4 134 023
	Export	72 275	3 477 973	2 271 398
	Waste production	139	6 741	4 081
	<b>Total</b>	<b>134 044</b>	<b>7 156 989</b>	<b>6 409 502</b>
<b>20/2</b>	<b>Investment revenue</b>		<b>30/9/2024</b>	<b>30/9/2023</b>
			<b>Million EGP</b>	<b>Million EGP</b>
	Right of use		7 924	11 155
	Investments in Athedico company		344 625	-
	<b>Total</b>		<b>352 549</b>	<b>11 155</b>
<b>20/3</b>	<b>Other operating revenues</b>		<b>30/9/2024</b>	<b>30/9/2023</b>
			<b>Million EGP</b>	<b>Million EGP</b>
	Revenue from scrape production		33 311	16 566
	<b>Total</b>		<b>33 311</b>	<b>16 566</b>
<b>20/4</b>	<b>Other income</b>		<b>30/9/2024</b>	<b>30/9/2023</b>
			<b>Million EGP</b>	<b>Million EGP</b>
	Other miscellaneous revenue		5.028	5.037
	Compensations		0.010	0.027
	Capital gain		0.000	0.067
	<b>Total</b>		<b>5.028</b>	<b>5.130</b>
<b>20/5</b>	<b>Credit Interest</b>		<b>30/9/2024</b>	<b>30/9/2023</b>
			<b>Million EGP</b>	<b>Million EGP</b>
	Interest from deposits treasury & investments documents		408 154	233 034
	<b>Total</b>		<b>408 154</b>	<b>233 034</b>

<b>21</b>	<b>Expenditures</b>		
<b>21/1</b>	<b>Cost of goods sold</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Salaries & wages	1 056 705	1 005 167
	Raw materials &supplies	4 897 799	3 908 732
	Service requirements	1 020 328	616 689
	Depreciation	36 061	46 913
	Add - finished goods beginning balance	289 103	257 457
	Less - finished goods ending balance	( 458 327)	( 223 132)
	Cost of imported product for sale	805 825	1 280 419
	<b>Total</b>	<b><u>7 647 494</u></b>	<b><u>6 892 245</u></b>
<b>21/2</b>	<b>Marketing expenses</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Salaries & wages	31.946	34.616
	Service equipment	85.694	51.639
	<b>Total</b>	<b><u>117.645</u></b>	<b><u>86.255</u></b>
<b>21/3</b>	<b>General and administrative expenses</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Salaries & wages	172.412	157.528
	Materials and supplies	3.829	2.698
	Service supplies	216.438	131.774
	Depreciation	11.223	7.863
	Board of directors meeting attendance allowances	0.037	0.047
	<b>Total</b>	<b><u>403.940</u></b>	<b><u>299.910</u></b>
<b>21/4</b>	<b>Provisions</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Expected credit losses	26 966	17 487
	<b>Total</b>	<b><u>26 966</u></b>	<b><u>17 487</u></b>
<b>21/5</b>	<b>Other expenses</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Donations and	6.180	3.897
	Social and environmental contributions	26.182	24.995
	<b>Total</b>	<b><u>32.362</u></b>	<b><u>28.892</u></b>
<b>21/6</b>	<b>Finance expenses</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Finance expenses	198 453	97 280
	<b>Total</b>	<b><u>198 453</u></b>	<b><u>97 280</u></b>
<b>21/7</b>	<b>Foreign exchange losses</b>	<b><u>30/9/2024</u></b>	<b><u>30/9/2023</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Foreign exchange losses	28 267	222 816
	<b>Total</b>	<b><u>28 267</u></b>	<b><u>222 816</u></b>

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

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**Fifth- Other Explanatory Notes**

**Tax 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.

**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

**First: payroll tax**

**Commitment status:**

- The yearly income tax return submits in legal dates and the company regularly paid the tax up till 2022

**Inspection status :**

- The period till 2019 was examined, and inspection differences were paid
- The company has not been notified of the inspection for the years 2020 till 2022

**Second: 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 2021

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

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**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 of inspection from year 2020

**Third: Withholding tax**

**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.

**Fourth: 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.

**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 .



**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

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**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 not been notified of the inspection for the years from 2019 till 2022.

**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 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 under settlement with tax authority.
- The years from 2018 till 2021 have been inspected >
- The years from 2022 till 2023 are under inspection

**Real estate tax**

- The company submits and pay the tax return on legal dates,
- 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

## **Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

### **Notes to the Financial Statements (Continued)**

#### **For the Financial Period Ended September 30, 2024**

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#### **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.

#### **Environmental and Social 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.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

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- **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 its 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.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

Translation From Originally Issued in Arabic

- **Subsequent events**

- The Ordinary General Assembly, held on 10/3/2024, in light of its approval of the company's financial statements for the fiscal year 2022, agreed to distribute cash shares with a coupon value of 1.25/share in two installments, the first installment being during the month of May 2024 and with a value of 0.75 per share, and the second installment being during the month of September 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 10/3/2024 and 8/29/2028, respectively, approving the increase of the company's issued capital from 1.1512 billion to 1.81440 billion by distributing 151,200 million free shares with a nominal value of 2 pounds per share, at a rate of 1 share for every 5 shares. All necessary procedures have been completed and the increase has been registered in the company's commercial register. The implementation was carried out through the Misr Clearing and Distribution Company on 10/10/2024 .
- 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.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

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- 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 on 10/29/2023 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

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the Financial Period Ended September 30, 2024**

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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.