



**MISR FERTILIZERS PRODUCTION COMPANY (S.A.E)
(MOPCO)**

**THE PERIODICAL STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED March 31, 2026
And Limited Review Report**

Component

1- Limited Review Report.

2- The Periodical statement of financial position on March 31, 2026.

3- The Periodical statement of profits or losses for the Period ended March 31, 2026.

4- The Periodical statement of comprehensive income for the Period ended March 31, 2026.

5- The Periodical statement of changes in equity for the Period ended March 31, 2026.

6- The cash flow statement for the Period ended March 31, 2026.

7- Disclosures to the Periodical financial statements as of March 31, 2026.



Hazem Hassan

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*Translation of limited review report
originally issued in Arabic*

Report on Limited Review of Interim Financial Statements To: The Board of Director of Misr Fertilizers Production Company SAE (MOPCO)

Introduction

We have performed a limited review for the accompanying interim statement of financial position of Misr Fertilizers Production Company S.A.E (MOPCO) ("The Company") as of 31 March 2026, and the related interim statements of profit or loss, comprehensive income, changes in equity, and cash flows for the three-month 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 statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

The financial statements of Misr Fertilizers Production Company S.A.E (MOPCO) for the financial year ended 31 December 2025, as well as the interim financial statements for the period ended 31 March 2025, were audited/reviewed by another auditor. The auditor expressed an unmodified opinion on the annual financial statements on 9 March 2026 and issued an unmodified conclusion on the interim financial statements on 9 May 2025.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of The company do not present fairly, in all material respect, the financial position of The company as of 31 March 2026, its financial performance and its cash flows for the three- months then ended in accordance with the Egyptian accounting standards.

Amr Mostafa

Amr Mostafa Mohamed Ahmed

Registered in Auditor's register of the
Financial Regulatory Authority under No. (424)

KPMG Hazem Hassan

Public Accountants and Consultants

Cairo May 24, 2026

KPMG Hazem Hassan
Public Accountants and Consultants

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Miser Fertilizers Production Company (MOPCO)

Egyptian joint stock company

Statement of financial position as at

In EGP	Notes No.	31/3/2026	31/12/2025
Assets			
Non-current assets			
Fixed assets & projects under construction	(3)	38 404 059 085	38 192 488 083
Other assets & projects under construction	(4)	74 395 430	79 638 512
Right of use assets	(5)	68 032 429	72 034 356
Investments in Associates (Equity Method)	(6)	2 424 170	2 424 170
Financial assets at amortized cost	(7)	12 199 193 104	10 659 141 927
Other financial assets	(9)	1 145 626 124	1 010 115 488
Total non-current assets		51 893 730 342	50 015 842 516
Current assets			
Inventory	(10)	2 043 865 167	1 927 396 704
Accounts receivable	(11)	1 438 263 388	1 446 674 104
Financial assets at amortized cost	(7)	3 641 034 275	734 010 745
Financial Assets at FVTPL	(8)	6 599 130 478	2 573 762 308
Debtors and other debit balances	(12)	1 179 535 686	1 449 408 364
Suppliers "advance payments"		78 440 094	75 072 047
Cash and cash equivalents	(14)	2 069 118 388	2 971 664 846
Total current assets		17 049 387 476	11 177 989 118
Total Assets		68 943 117 818	61 193 831 634
Equity			
Issued and paid-up capital	20-B	28 681 402 630	28 681 402 630
Legal reserve		1 968 302 274	1 968 302 274
General reserve	20- C	352 383 742	352 383 742
Retained earnings		22 084 105 880	16 804 480 295
Total Equity		53 086 194 526	47 806 568 941
liabilities			
Non-current liabilities			
Lease liabilities	(16)	127 230 624	119 068 258
Deferred tax liabilities	(21)	7 185 920 614	7 169 688 279
Non-current employee benefits obligations	(22)	616 126 433	616 126 433
Total non-current liabilities		7 929 277 671	7 904 882 970
Current liabilities			
Current income tax liabilities	(15)	4 621 737 486	3 260 993 930
Lease liabilities	(16)	35 753 423	30 901 794
Trade Payables	(17)	1 266 509 533	571 060 350
Creditors and other credit balances	(18)	1 048 393 536	1 102 966 124
Contract Liabilities (Customer Advances)		783 881 546	386 154 612
Current employee benefits obligation	(22)	117 025 392	75 958 208
Provisions	(19)	54 344 705	54 344 705
Total current liabilities		7 927 645 621	5 482 379 723
Total liabilities		15 856 923 292	13 387 262 693
Total equity & liabilities		68 943 117 818	61 193 831 634

The accompanying notes from (1) to (40) are an integral part of the periodical financial statements and to be read therewith.

Vice president for financial & economic affairs

Accountant / Mohamed Al-Shayeb

Chairman and Managing Director

Engineer / Ahmed Mahmoud El-Sayed

Review report "attached"

Misr Fertilizers Production Company (MOPCO)

Egyptian joint stock company

Interim Statement of profit or loss for the financial period ended at



EGP	Notes	31/3/2026	31/3/2025
Net Sales	(23)	8 179 706 230	6 342 235 422
Cost of sales	(24)	(3 682 093 265)	(2 995 140 269)
Gross profit		4 497 612 965	3 347 095 153
Other income	(25)	34 642 517	8 063 595
Selling and marketing expenses	(26)	(176 912 465)	(113 941 173)
General and administrative expenses	(27)	(160 738 887)	(134 166 714)
Other expenses	(28)	(5 495 167)	(5 683 070)
Expected credit losses	(31)	(33 040 127)	(77 939 059)
Operating profit		4 156 068 836	3 023 428 732
Finance income	(30)	575 159 956	591 559 445
Finance costs	(29)	(35 322 455)	(22 626 521)
Net foreign currency translation gain/(loss)		1 997 654 362	(100 849 032)
Net finance activities		2 537 491 863	468 083 892
Net profit for the period before tax		6 693 560 699	3 491 512 624
Income tax expenses	(32)	(1 397 702 779)	(766 421 679)
Deferred tax (expenses)/ benefit	(32)	(16 232 335)	87 912 315
Total tax		(1 413 935 114)	(678 509 364)
Net profit for the period		5 279 625 585	2 813 003 260
Basic and diluted earnings per share	(33)	1.84	0.98

The accompanying notes from (1) to (40) are an integral part of the periodical financial statements and to be read therewith.

*Misr Fertilizers Production Company (MOPCO)
Egyptian joint stock company
Interim Statement of Comprehensive income for the financial period ended at*



EGP	Notes	31/3/2026	31/3/2025
Net profit for the period		5 279 625 585	2 813 003 260
Other comprehensive income		--	--
Total comprehensive income for the period		5 279 625 585	2 813 003 260

The accompanying notes from (1) to (40) are an integral part of the periodical financial statements and to be read therewith.



Misr Fertilizers Production Company (MOPCO)

Egyptian joint stock company

Interim Statement of changes in equity for the period ended at March 31, 2026

In Egyptian pound	Issued and paid-up capital	Legal reserve	General reserve	Retained earnings	Result of merged company	Total
Balance at Jan 1, 2025	20 791 840 110	1 212 315 306	352 383 742	15 132 261 531	7 889 562 509	45 378 363 198
Comprehensive income						
Net profit for the period	--	--	--	2 813 003 260	--	2 813 003 260
Total comprehensive income						
Balance at March 31, 2025	20 791 840 110	1 212 315 306	352 383 742	17 945 264 791	7 889 562 509	48 191 366 458
Balance at Jan 1, 2026	28 681 402 630	1 968 302 274	352 383 742	16 804 480 295	--	47 806 568 941
Comprehensive income						
Net profit for the period	--	--	--	5 279 625 585	--	5 279 625 585
Other comprehensive income						
Balance at March 31, 2026	28 681 402 630	1 968 302 274	352 383 742	22 084 105 880	--	53 086 194 526

The accompanying notes from (1) to (40) are an integral part of the periodical financial statements and to be read therewith.

Misr Fertilizers Production Company (MOPCO)
Egyptian joint stock company
Interim Statement of cash flows For the financial period ended at



EGP	Notes	31/3/2026	31/3/2025
<u>Cash flows from operating activities</u>			
Net profit for the year before tax		6 693 560 699	3 491 512 624
Adjustment as follows:			
Fixed assets depreciation	(3)	581 559 054	568 431 316
Amortization of other assets and right of use assets	(4+5)	9 450 668	7 926 197
Provisions no longer required	(25)	--	5 589
Employee benefit obligations		12 403 548	1 935 567
Capital gains	(25)	--	(922 076)
Expected credit losses	(31)	33 040 127	77 939 059
Net finance income and cost	(29+30)	(539 837 501)	(568 932 924)
Net (Gain) / loss of unrealized foreign currency translation changes		(1 995 765 352)	92 832 289
		<u>4 794 411 243</u>	<u>3 670 727 641</u>
<u>Change in:</u>			
Other financial assets		--	67 150 648
Inventory		(116 468 463)	(218 736 935)
Account receivable		8 526 498	(611 512 786)
Debtors and other debit balances		94 962 092	(81 113 273)
Due from related parties		(116 971)	(61 863)
Suppliers (advance payment)		(3 368 047)	(25 147 701)
Trade payable		695 449 183	(162 275 305)
Creditors and other credit balances		(54 569 866)	201 130 461
Contract Liabilities (Customer Advances)		397 726 934	223 691 595
Provisions	(19)	--	(815 302)
Cash flows available from operating activities		<u>5 816 552 603</u>	<u>3 063 037 180</u>
Income taxes paid		(15 119 021)	(13 458 426)
Paid for employee benefits		(5 159 589)	(1 794 991)
Net Cash flows available from operating activities		<u>5 796 273 993</u>	<u>3 047 783 764</u>
<u>Cash flows from Investing activities</u>			
Received Interest		460 566 945	517 560 682
Paid investment in associate companies		--	841 326
(Payments) for the purchase of financial assets through profit or loss		(3 800 000 198)	(525 498 805)
(Payments) for investment purchase at amortized cost		(2 826 392 759)	(4 055 115 361)
(Payments) for the purchase of fixed assets, works, projects under construction and other assets		(792 743 028)	(150 484 456)
Net cash flows (used in) investing activities		<u>(6 958 569 040)</u>	<u>(4 212 696 614)</u>
<u>Cash flows from Financing activities</u>			
Dividends paid to shareholders		(2 722)	(27 424)
Payment of lease liabilities	(16)	(9 102 435)	(9 709 899)
Net cash flows (used in) financing activities		<u>(9 105 157)</u>	<u>(9 737 323)</u>
Net changes in cash and cash equivalents		<u>(1 171 400 204)</u>	<u>(1 174 650 173)</u>
The effect of changes in exchange rates on cash and cash equivalents		269 571 348	(40 854 105)
Expected credit losses on Cash and Cash Equivalent		(717 602)	--
Cash and cash equivalent at the beginning of the year		2 971 664 846	6 679 913 892
Cash and cash equivalent at the end of the year	(14)	<u>2 069 118 388</u>	<u>5 464 409 614</u>

The accompanying notes from (1) to (40) are an integral part of the periodical financial statements and to be read therewith.

Misr Fertilizers Production Company (MOPCO)

Notes to the interim financial statements for the period ended March 31, 2026

1- Company's background

1.1 Legal entity

- Misr Fertilizers Production Company "MOPCO" - S. A. E. ("The Company") (formerly Misr Oil Processing Company) – an Egyptian Private Free Zone – was established under the provisions of law no. 8 of 1997 for investments guarantees and incentives and its executive regulations and amendments and law no. 159 of 1981 and its executive regulations and amendments issued by law no. 4 of 1998 and Minister of Economy decision no. 25 of 1998 and Capital Stock Market law no. 95 of 1992 and its executive regulations.
- The Company was registered in Cairo Commercial Register under number 50112 at January 12, 2011.
- The company is registered in the official list of the stock exchange of the Arab Republic of Egypt.
- Chairman of the Board of Directors and Managing Director is Eng. / Ahmed Mahmoud Mohamed El-Sayed
- According to the text of Article 11 of Law No. 114 of 2008, dated May 5, 2008, all licenses for investment projects under the private free zone system in the field of fertilizer industry have been terminated. Accordingly, the Company is no longer operating under the private free zone.
- The extraordinary general assembly decided on November 4, 2023, the merge of the Egyptian Nitrogen Products Company (ENPC) a merged company with Misr Fertilizers Production Company (MOPCO) a merging company and that on book value basis in accordance to the financial statements on December 31, 2022, which is the date used as a base for merge in accordance to the report issued by the economic performance at the General Authority for Investment and Free Zones by the formed committee in accordance to the decision of the Minister of Investment and International Cooperation No. 95 of 2018. The committee's decision was approved by the Chief Executive Officer of General Authority for Investment and Free Zones on September 21, 2023, with the distribution of the capital of the merging company and the merged company on the basis of net equity of the merging company and the merged company according to the market value of the assets of the merging company and the merged company on the date used as a base for merge. This was noted in the commercial register on December 13, 2023.

1.2 The purpose of the Company:

- The purpose of the Company is the production of fertilizers, ammonia and nitrogen. The Company may also be in benefit from or get involved in any way in the incorporation or formation other companies engaging in activities similar or related to its activities, and which may help it to achieve its purposes inside and outside the Arab Republic of Egypt after the approval of General Authority for Investment and Free Zones (GAFI) and the Company must obtain all licenses necessary to carry out its activity.
- The extraordinary general assembly held on November 21, 2021, approved to add the below activities:
 - Buying, selling and marketing all nitrogen fertilizer products and their derivatives.
 - Developing, establishing, owning, financing, managing, maintaining and operating a project for the production of melamine and its derivatives.
 - Marketing, distributing and selling the melamine product and its derivatives abroad and all over Egypt, except for the Sinai Peninsula region, where the approval of the Authority is required in advance.
- The extraordinary general assembly also authorized the Company to have an interest or to participate in any way in the incorporation or formation of other companies that engage in activities similar or related to its activities, and which may help it to achieve its purposes inside and outside the Arab Republic of Egypt after the approval of General Authority for Investment and Free Zones (GAFI) and the Company must obtain all licenses necessary to carry out its activity.
- The Extraordinary General Assembly, held on April 15, 2023, also approved adding the below activity:
 - Production, distribution and sale of urea solution with different concentrations and used in different applications and uses, including car exhaust treatment.

Misr Fertilizers Production Company "MOPCO"

Notes to the interim financial statements for the period ended March 31, 2026

- The assembly also agreed to extend the term of the company for another twenty-five years, starting from the end of the previous period, and each extension of the term of the company must be approved by the extraordinary general assembly of the company, and a decision issued by the General Authority for Investment and Free Zones (GAFI) for it.

1.3 The Company's term:

- The Company's term is 25 years starting from the date of the Company's registration in the commercial register.
- The term of the company was extended for another twenty-five years ended on 27/07/2048, and this was noted in the company's commercial register on 31/05/2023.

1-4 The Company's Headquarters:

- The company's administrative headquarters has been modified to become: Building 194, New Cairo, North 90th, Sector Two, City Center, Fifth Settlement, Cairo. The main center and location of industrial activity: the public free zone in the new city of Damietta, as shown in the commercial register issued on September 22, 2022.

2- Basics for preparation of financial statements

2-1 Compliance with accounting standards and laws

- The financial statements have been prepared in accordance with the Egyptian accounting standards and the related Egyptian law and regulations.
- The board of directors approved the issuance of the financial statements on May 21, 2026.

2-2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the assets and liabilities which are stated at fair value through profit and loss or amortized cost.

2-3 Functional and presentation currency

The financial statements are presented in Egyptian Pound which is the Company's functional currency.

2-4 Use of estimates and personal judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

These estimates and associated assumptions are based on management's historical experience and other various factors which could be reasonable in the light of current circumstances and events based on which the carrying amount of assets and liabilities are identified and actual results may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis and any differences in accounting estimates are recognized in the year in which those estimates were changed, and if these differences affect the year in which the change was made and future years, then these differences are included in the year in which the adjustment was made and the future years.

A- Personal judgment

Information about the judgments used in applying accounting policies that have a significant effect on the values presented in the financial statements are included below:

- Provisions for expected claims and contingent liabilities.
- Measurement of impairment in asset values.
- The useful lives of fixed assets.
- Employee benefit obligations.

*Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026*

B- Uncertain assumptions and estimates

Information about uncertain assumptions and estimates at the date of the financial statements, which may result in an effective adjustment in the book value of assets and liabilities in the next financial period, represented in:

- Recognition and measurement of provisions and liabilities: the underlying assumptions about the likelihood and magnitude of an outflow of resources.
- Measurement of expected credit losses for cash in banks, accounts and notes receivable, and other financial assets.

C- Fair value measurement

A number of the company's accounting policies and disclosures require the measurement of the fair values of financial and non-financial assets and liabilities.

The measurement of the fair value of assets and liabilities is mainly based on the available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company recognizes transfers between levels of the fair value hierarchy at the end of the financial period during which the change occurs.

Further information on the assumptions applied when measuring the fair value of financial instruments is included (Note 34-7).



Mina Fertilizers Production Company "MOPCO"

Note to the Interim Financial statements for the period ended at March 31, 2026

3- Fixed assets & projects under construction

	In EGP										Total
	Land	Building & constructions	Machinery & equipment	Vehicles	Tools	Furniture & Fixtures	Computers	Projects under construction			
Cost											
Cost at 1 January 2025	262 021 195	498 380 439	51 585 299 159	143 580 623	96 319 792	47 907 659	135 452 597	1 092 621 142		53 861 582 606	
Additions	..	..	86 011 097	23 495 480	13 672 549	12 300 024	30 171 155	5 682 418 700		5 848 069 005
Transferred from projects under construction	..	73 588 169	289 026 675	..	19 955 155	1 433 923	4 448 743	(388 452 665)		-	
Disposal	..	(1 356 168)	(19 545 314)	(1 373 378)	(1 106 025)	(175 092)	(1 214 605)	-		(24 770 582)	
Cost at 31 December 2025	262 021 195	570 612 440	51 940 791 617	165 702 725	128 841 471	61 466 514	168 857 890	6 386 587 177		59 684 881 029	
Additions	..	..	..	..	3 706 011	56 730	179 730 378	769 159 909		792 743 028
Transferred from projects under construction	..	18 878 531	..	..	..	..	..	(18 878 531)		..
Disposal	..	..	..	..	..	..	..	..		..
Cost at 31 March 2025	262 021 195	589 490 971	51 940 791 617	165 702 725	132 637 482	61 523 244	188 588 268	7 136 868 555		60 477 624 057	
Accumulated depreciation											
Accumulated depreciation 1 January 2025	..	130 911 480	18 825 815 092	87 626 954	53 920 123	22 440 685	108 861 276	..		19 229 575 610	
Depreciation of the year	..	31 446 117	2 196 541 270	20 249 338	12 627 327	4 989 466	1 735 041	..		2 283 209 559	
Disposal	..	(1 356 170)	(15 840 276)	(700 054)	(1 106 025)	(175 092)	(1 214 606)	..		(20 392 223)	
Accumulated depreciation as at 31 December 2025	..	161 001 427	21 006 516 086	107 176 238	65 441 425	27 255 059	125 002 711	..		21 492 392 946	
Depreciation of the period	..	15 403 358	550 044 452	5 640 757	3 899 485	1 269 490	5 301 512	..		581 559 054	
Disposal	..	(387 028)	..	..	..	..	..	..		(387 028)
Accumulated depreciation as at 31 March 2026	..	176 017 757	21 556 560 538	112 816 995	69 340 911	28 524 549	130 304 223	..		22 073 564 972	
Net fixed assets at 1/1/2025	262 021 195	367 468 959	32 759 484 067	55 953 669	42 399 669	25 466 974	26 591 321	1 092 621 142		34 632 006 996	
Net fixed assets at 31/12/2025	262 021 195	409 611 013	30 934 275 531	58 526 487	63 400 046	34 211 455	43 855 179	6 386 587 177		38 192 488 083	
Net fixed assets at 31/3/2025	262 021 195	413 473 214	30 384 231 079	52 885 730	62 296 572	32 998 695	58 284 045	7 136 868 555		38 404 059 085	

Fully depreciated assets still in use EGP 340 431 969.

Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026

- **Projects under construction within fixed assets are as follows:**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Building and roads	8 429 669	9 520 228
Machine and equipment	3 094 776 090	2 247 204 261
Computers	9 855 422	9 855 422
Furniture and furnishings	--	9 565 920
Advance payment	3 685 768 246	3 836 012 774
Letters of credit	338 039 129	274 428 572
	<u>7 136 868 556</u>	<u>6 386 587 177</u>

- * The increase in projects under construction is represented in the value of investment spending on the urea and ammonia plant development project, where the value of what was spent until March 31, 2026 amounted to about 6.8 billion pounds, represented in the machinery and equipment item by about 3.1 billion pounds and the advance payments item by around EGP 3.7 billion.

4- **Other assets & projects under construction**

	The Company's contribution in assets not owned by it and serve its purposes	Gas pipeline	License and software	Projects under construction	Total
Cost					
Cost as at 1/1/2025	5 000 000	15 627 372	67 457 608	10 857 418	98 942 398
Additions during the year	--	--	3 940 455	26 994 821	30 935 276
Transfer from projects under construction	--	--	24 739 238	(24 739 238)	--
Cost as at 31/12/2025	5 000 000	15 627 372	96 137 301	13 113 001	129 877 674
Additions during the period	--	--	--	205 679	205 679
Cost as at 31/3/2026	5 000 000	15 627 372	96 137 301	13 318 680	130 083 353
Accumulated amortization					
Accumulated amortization as at 1/1/2025	5 000 000	14 949 378	10 777 945	--	30 727 323
Amortization during the year	--	677 994	18 833 845	--	19 511 839
Accumulated amortization as at 31/12/2025	5 000 000	15 627 372	29 611 790	--	50 239 162
Amortization during the period	--	--	5 448 761	--	5 448 761
Accumulated amortization as at 31/3/2026	5 000 000	15 627 372	35 060 551	--	55 687 923
Net book value					
Net book value as at 1/1/2025	--	677 994	56 679 663	10 857 418	68 215 075
Net book value as at 31/12/2025	--	--	66 525 511	13 113 001	79 638 512
Net book value as at 31/3/2026	--	--	61 076 750	13 318 680	74 395 430

Amortized assets and still in use EGP 29 584 494

Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026

- **Projects under construction within other assets are represented as follows:**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Licenses and software	13 318 680	13 113 001
	13 318 680	13 113 001

5- **Right-of-use assets**

The right of use assets is represented in the rental value for the remaining year of the leased land contract on which the factory is located in the public free zone in Damietta as follows:

<u>Cost</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
At the beginning of the period/ year	152 072 489	152 072 489
Additions during the period/ year	--	--
Cost at the end of the period/ year	152 072 489	152 072 489
<u>Accumulated amortization</u>		
At the beginning of the period/ year	80 038 153	64 030 522
Amortization expense during the period/ year	4 001 907	16 007 631
Accumulated amortization at the end of the period/ year	84 040 060	80 038 153
Net book value at the end of the period/ year	68 032 429	72 034 336

6- **Investment in associates using equity method:**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Investments	2 424 170	2 424 170
Contribution percentage %	25%	25%

Damietta for Green Ammonia Company

- The Company has contributed in the establishment of a new company to produce green ammonia inside the public free zone in Damietta (Damietta for Green Ammonia Company) a joint stock company by free zone regulation with a capital of US\$ 10 000 000 (Ten million US Dollars).in which the Company contributes with 25% together with the Egyptian Petrochemicals Holding Company (ECHEM) and Scatec Norwegian company.
- The amount paid from the company's contribution to the capital of Damietta Green Ammonia Company has reached EGP 2,424,170, equivalent to USD 20,000, out of the company's total share in the capital of Damietta Green Ammonia Company, which represents 25% of the company's issued capital amounting to USD 10 million. The authorized capital is USD 100 million. This investment has been classified as an investment in an associate and is accounted for using the equity method.
- On September 29, 2024, a non-binding memorandum of understanding was signed regarding the principles of the agreement to purchase green ammonia between Yara Norwegian Company and Damietta Green Ammonia Company in Damietta, which was contributed in by the Egyptian Petrochemical Holding Company "ECHEM", which owns 31.47% of the capital share of MOPCO, Misr Fertilizers Production Company "MOPCO", and Scatec ASA (Norwegian company).

Misr Fertilizers Production Company "MOPCO"

Notes to the interim financial statements for the period ended March 31, 2026

7- Investment at amortized cost

7-1 Financial assets at amortized cost (non-current portion):

	<u>Note no.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Government Bonds at par value		12 344 942 626	10 783 328 695
Unearned returns (amortized cost)		(120 221 252)	(111 273 038)
		<u>12 224 721 374</u>	<u>10 672 055 657</u>
Expected credit losses	(Note 31)	(25 528 270)	(12 913 730)
Net book value		<u><u>12 199 193 104</u></u>	<u><u>10 659 141 927</u></u>

Represented in securities and deposits with maturity dates exceeding 12 months from the date of the financial position and represents investments in debt securities in foreign currency held to maturity for the purpose of collecting cash flows from interest and the principal at maturity.

The following is the government bonds as at the statement of financial position date:

Due date	<u>31/3/2026</u>		<u>31/12/2025</u>	
	Number of Documents	At par value	Number of Documents	At par value
2028	15 000	818 442 000	15 000	714 910 500
2029	74 700	4 075 841 160	74 700	3 560 254 290
2030	40 650	2 217 977 820	40 650	1 937 407 455
2032	15 000	818 442 000	15 000	714 910 500
2033	80 902	4 414 239 646	80 902	3 855 845 950
	<u>226 252</u>	<u>12 344 942 626</u>	<u>226 252</u>	<u>10 783 328 695</u>

7-2 Financial assets at amortized cost (current portion):

In Egyptian pound	<u>31/3/2026</u>	<u>31/12/2025</u>
Government bonds at par value	3 897 200 000	742 553 706
Unearned returns (amortized cost)	(226 706 224)	(7 653 695)
Independent tax base	(21 840 201)	-
	<u>3 648 653 575</u>	<u>734 900 011</u>
Expected credit losses Note No. (31)	(7 619 300)	(889 266)
Net book value	<u><u>3 641 034 275</u></u>	<u><u>734 010 745</u></u>

Represented in investments held to maturity for the purpose of collecting cash flows from interest and the principal at maturity.

*Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026*

8- Financial assets at fair value through profit or loss:

	<u>31/3/2026</u>	<u>31/12/2025</u>
Cost as at Beginning balance	2 573 762 308	2 869 467 104
Additions	3 800 000 198	10 065 694 152
Discounts	-	(11 096 492 155)
Currency exchange differences	36 577 983	-
Balance before revaluation	6 140 340 489	1 838 669 101
Fair value at the date of the financial position	6 599 130 478	2 573 762 308
Change in fair value till the financial statement date	188 789 989	735 093 207

Represented in investments in funds available to banks for the purpose of short-term trading and realize quick gains.

9- Other financial assets

	<u>Note No.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Letters of guarantee *		20 000	20 000
Pledged Deposits **		1 137 100 200	1 024 705 050
		1 173 120 200	1 024 725 050
Expected credit losses	(31)	(27 494 076)	(14 609 562)
		1 145 626 124	1 010 115 488

* Letter of guarantee cover against the authority's facilities insurance for the construction of additional floors at the firefighting building of the Company against securing the factory land rent with an amount of 20,000 Egyptian pounds.

** Pledged deposit of 21,500,000.00 US dollars against letters of credit and letters of guarantee.

10- Inventory

	<u>31/3/2026</u>	<u>31/12/2025</u>
Spare parts	1 202 387 384	1 165 871 912
Finished goods at cost	407 398 800	363 601 453
Work in process at cost	134 375 766	93 358 831
Miscellaneous Materials and Supplies	126 741 628	122 843 624
Letter of credit	39 297 270	40 993 826
Raw material	115 882 144	122 470 143
Oils and fuels	17 782 175	18 256 915
	2 043 865 167	1 927 396 704

Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026

11- Accounts receivable

	<u>Note no.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Accounts receivable		1 445 596 948	1 454 123 446
Expected credit losses	(31)	(7 333 560)	(7 449 342)
		1 438 263 388	1 446 674 104

12- Debtors and other debit balances

	<u>Note no.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Accrued credit interest		144 458 754	334 099 282
Employees' advances and Installments		77 129 812	77 580 770
Deposits with others		20 128 691	20 187 691
Other debtors		46 781 533	23 117 822
Prepaid expenses		20 197 328	24 197 976
Tax authority on sales		171 705 542	270 980 549
Advance payments to the tax authority		46 172 520	46 172 520
Debit balances to employees *		653 624 141	653 624 141
		1 180 180 321	1 449 960 751
Expected credit losses	(31)	(644 635)	(552 387)
		1 179 535 686	1 449 408 364

* This amount is invested for the benefit of the employees in the form of a deposit in a local bank, in implementation of the Board of Directors' decision and Article (55) of the company's Articles of Association. This amount is matched by a similar amount as a liability of the company. The amount was transferred to the employees' special schemes in accordance with Board of Directors decision No. (2304) at its meeting No. (430) held on October 19, 2025.

13- Transactions with related parties

The related parties comprise the associated companies and affiliated companies, as well as individuals who have the ability to control or exercise significant influence over the company's financial and operating policies. They also include entities that are owned or controlled by such individuals or are subject to their influence.

A- Related parties represent:

- Egyptian Petrochemicals Holding Company "EICHEM"	Major shareholder by 31.47 %
- Egyptian Natural Gas Holding Co. "EGAS"	Major shareholder by 9.89 %
- Egyptian Natural Gas Co. "GASCO"	Major shareholder by 0.48 %
- Misr Insurance Company	Major shareholder by 1.15 %
- Suez Methanol Derivatives Company	A demerged company

Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026

B- Related parties' transactions

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	<u>The financial year ended in</u>		
		<u>In EGP</u>	<u>31/3/2026</u>	<u>31/3/2025</u>
Misr Insurance Company	Insurance Services		27 420 663	26 596 893
Egyptian Natural Gas Holding Co. "EGAS"	Gas Supplier		1 838 790 910	1 387 093 056
Egyptian Natural Gas Co. "GASCO"	Gas Supplier		873 952 526	720 606 528
Suez Methanol Derivatives Company	Services rendered / Payments on behalf of the company.		116 971	106 151
Salaries and benefits of senior management			4 801 194	4 839 243

C- The following balances resulted from the above transactions:

Due from related parties

	<u>Note no.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Suez Methanol Derivatives Company		780 243	663 272
Expected credit losses	(31)	(780 243)	(663 272)
		-	-

14- Cash at banks and on hand

	<u>Note no.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Banks current accounts		191 002 859	67 945 615
Time Deposits		1 882 416 600	2 907 302 700
		2 073 419 459	2 975 248 315
Expected credit losses	(31)	(4 301 071)	(3 583 469)
		2 069 118 388	2 971 664 846

15- Current income tax

		<u>31/3/2026</u>	<u>31/12/2025</u>
Current income tax		4 689 012 293	3 313 149 715
Withdraw on account of tax		(67 274 807)	(52 155 785)
		4 621 737 486	3 260 993 930

*Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026*

16- Lease liabilities

The present value of the total obligations arising from the rights of use is as follows:

	<u>Note No.</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
Beginning balance for the period/ year		149 970 052	191 575 804
Interest during the period	(29)	1 499 229	7 072 409
Foreign currency translation		20 617 201	(10 686 345)
Payments during the period		(9 102 435)	(37 991 816)
		<u>162 984 047</u>	<u>149 970 052</u>
Lease liabilities – non current portion		127 230 624	119 068 258
Lease liabilities – current portion		35 753 423	30 901 794
		<u>162 984 047</u>	<u>149 970 052</u>

17- Trade Payables

	<u>31/3/2026</u>	<u>31/12/2025</u>
*Egyptian Natural Gas Holding CO. "EGAS"	725 075 790	242 117 821
*Gas supplier (GASCO)	348 575 381	98 802 881
Other suppliers	192 876 362	230 139 648
	<u>1 266 509 533</u>	<u>571 060 350</u>

* Egyptian Natural Gas Holding Co. "EGAS" shareholder of the company with share percentage of 9.89%.

** Egyptian Natural Gas Co. "GASCO" shareholder of the company with share percentage of 0.48%.

18- Creditors and other credit balances

	<u>31/3/2026</u>	<u>31/12/2025</u>
Deposits from others	32 106 833	29 750 230
General Authority for Health Insurance	100 022 832	73 054 925
Value added tax	41 542 223	52 160 260
Due to the minor shareholders from shares selling auction	6 895 380	6 895 380
Shareholder dividends payable	859 219	861 940
Due to the Petroleum Authority	--	29 054 116
Other credit balances	115 895 077	93 896 151
Credit balances to other companies	55 702 402	52 277 636
Payroll tax	21 720 882	14 474 813
Accrued social insurance	5 719 699	4 722 983
Accrued expenses	11 203 765	87 859 370
Withholding tax	3 101 084	4 334 179
Credit balances to employees *	653 624 141	653 624 141
	<u>1 048 393 536</u>	<u>1 102 966 124</u>

* As explained in note (12).

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Notes to the interim financial statements for the period ended March 31, 2026*

19- Provisions

	31/3/2026	31/12/2025
Beginning balance	54 344 705	255 256 008
Provisions formed during the period	--	668 304
Provisions used during the period	--	(41 362 731)
Provisions no longer required during the period	--	(160 216 876)
	54 344 705	54 344 705

Information related to provisions were not disclosed, the Company has not disclosed the information usually published regarding provisions in accordance with Egyptian Accounting Standard No. (28), as management believes that such disclosure would prejudice the outcome of negotiations with other parties.

20- Share Capital

A- Authorized capital

- The Company's authorized capital is amounting to EGP 2 040 million (two billion and forty million Egyptian Pound) until May 4, 2014.
- On May 4, 2014, according to the extraordinary assembly general meeting the Company decided to increase the authorized capital to be EGP 2 300 million (2 billion and 3 hundred million Egyptian Pound) and it was registered in the commercial register of the company on January 28, 2015.
- The extraordinary general assembly decided in its meeting held on November 4, 2023 to specify authorized capital to an amount of 50 billion EGP and this was noted in the commercial register on December 13, 2023.

B- Issued and paid-up Capital

- The issued and paid-up capital on March 31, 2026 amounted to 28 681 million Egyptian pounds (28 billion, six hundred and eighty-one million Egyptian pounds), while the issued and paid-up capital on December 31, 2014 amounted to 1 992 million Egyptian pounds (one billion, nine hundred and ninety-two million Egyptian pounds), and the paid-up capital on December 31, 2010 amounted to 1 984 million Egyptian pounds (one billion, nine hundred and eighty-four million Egyptian pounds). The remaining overdue installments were completed during the year 2011 to complete the issued and paid-up capital, and the increase was registered in the commercial register on September 9, 2011. The increase in the company's capital was previously registered in the commercial register on January 26, 2009, as a result of the acquisition of the Egyptian Nitrogen Products Company (ENPC), an Egyptian joint stock company. The acquisition was completed by exchanging shares for the shareholders of the Egyptian Nitrogen Products Company. ENPC based on the evaluation prepared for this purpose, which resulted in a fair value for both companies of 1 266 million US dollars. Accordingly, the Extraordinary General Assembly of Misr Fertilizers Production Company (MOPCO) decided on November 8, 2008 to increase the company's capital by 100% for the benefit of the shareholders of the Egyptian Nitrogen Products Company (ENPC), acquire the Egyptian Nitrogen Products Company (ENPC), and record the investment value at the nominal value of the share at 10 Egyptian pounds per share.
- On May 4, 2014, the ordinary general assembly decided to increase the capital of the company with amount of EGP 298 484 560 through the distribution of free shares through the dividend's payments for the profit of the financial year ended December 31, 2013, accordingly the issued capital becomes EGP 2 291 172 320 distributed among 229 117 232 shares with a share value of EGP 10 recorded in the commercial register of the company dated January 28, 2015.
- On November 4, 2023 the extraordinary general assembly decided to specify the company's issued capital to an amount of 20 791 840 110 EGP (twenty billion, seven hundred ninety-one million, eight hundred and forty thousand, one hundred and ten Egyptian pound) which was distributed on 2 079 184 011 shares at par value 10 EGP and this was noted in the commercial register on December 13, 2023.

Misr Fertilizers Production Company "MOPCO"

Notes to the interim financial statements for the period ended March 31, 2026

- The Extraordinary General Assembly, in its session held on April 12, 2025, decided to set the company's issued capital at EGP 28 681 402 630 (twenty-eight billion, six hundred and eighty-one million, four hundred and two thousand, six hundred and thirty Egyptian pounds), which was distributed over 2 868 140 263 shares at a nominal value of EGP 10 per share. This was financed from the result of the merger transaction shown in the financial statements for the fiscal year ended December 31, 2024, amounting to EGP 7 889 562 509, plus EGP 11 from retained earnings which amounts to total of EGP 7 889 562 520 in the form of free shares and it was noted in the commercial register of the company dated 29 June, 2025.
- **The structure of the shareholders of the Company is as follows:**

Shareholder	%	No. of shares	Amount EGP
Egyptian Petrochemicals Holding Co. "ECHEM"	31.47%	902 688 489	9 026 884 890
The Saudi Egyptian Investment Company	24.04%	689 402 596	6 894 025 960
Abu Dhabi Investment Holding Company (Alfa Oryx Limited)	20.00%	573 628 046	5 736 280 460
Egyptian Natural Gas Holding Co. "EGAS"	9.89%	283 695 208	2 836 952 080
IPO	14.60%	418 725 924	4 187 259 240
	100%	2 868 140 263	28 681 402 630

C- General reserve

This amount EGP 352 383 742 represents the amount transferred to the general reserve from the total shareholders' equity according to Decision No. 65/S of 2013 issued by the Chairman of the General Authority for Investment and Free Zones (GAFI), which authorized the establishment of the demerged company in Suez as a result of the split of Misr Fertilizers Production Company "MOPCO".

21- Deferred Tax liabilities/ (assets), net

	<u>31/3/2026</u>	<u>31/12/2025</u>
Fixed assets and other	6 193 938 778	6 278 317 339
Foreign currency exchange differences gain	1 176 344 298	1 059 059 257
Employee benefits provision	(164 959 160)	(155 719 044)
Other Provisions	(2 820 544)	(2 820 544)
Provision for Expected credit losses	(16 582 758)	(9 148 729)
	7 185 920 614	7 169 688 279

Misr Fertilizers Production Company "MOPCO"

Notes to the interim financial statements for the period ended March 31, 2026

22- **Employee benefits obligation:**

22-1 Plan description:

The company applies an unfunded defined benefits plan measured at present value. Amounts paid upon termination of employees' services are calculated in accordance with the plan based on costs actually. Borne by the company for medical treatment of retired employees, as well as end-of-service gratuity.

Benefits of treatment for employees and their families	31/3/2026	31/12/2025
Beginning balance of the period/ year	579 023 099	472 141 015
Current service cost	10 703 952	25 474 774
Interest expense	28 567 680	68 724 846
Actuarial loss	--	20 599 199
Payments during the period	(2 120 160)	(7 916 735)
	616 174 570	579 023 099
End of Service Benefits for employees		
Beginning balance of the period/ year	113 061 543	62 299 032
Current service cost	1 699 597	5 019 611
Interest expense	5 255 545	14 020 085
Actuarial loss	--	38 695 178
Payments during the period	(3 039 429)	(6 972 363)
	116 977 255	113 061 543
Total end of service benefits	733 151 825	692 084 641
Employee benefits obligation – current portion	117 025 392	75 958 208
Employee benefits obligation – non current portion	616 126 433	616 126 433
	733 151 825	692 084 641

22-2 Amounts recognized in profit or loss statement:

	<u>Note No.</u>	31/3/2026	31/12/2025
Current service cost, treatment benefits		10 703 952	25 474 774
Current service cost, end-of-service bonus		1 699 596	5 019 611
Interest expense	(29)	33 823 226	82 744 931
		46 226 774	112 239 316

Actuarial assumptions for the benefits of treatment plan:

	31/3/2026	31/12/2025
Discount rate	20.56%	20.56%
Inflation rate	11.60%	11.60%
Benefits increase rate	17.25%	17.25%

Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026

The expected benefits through the next years:

The first year	9 152 489
The second year	13 341 181
The third year	18 592 416
The fourth year	26 369 377
The fifth year	37 979 001
The next five year	431 340 101

Sensitivity analysis of actuarial assumptions:

	<u>Change in assumptions</u>		<u>Change in liabilities</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	%0.5	%0.5	(533 598 555)	629 998 761
Benefits rate	%0.5	%0.5	628 111 192	(535 272 836)

Actuarial assumptions for the end of service benefit plan:

	<u>31/3/2026</u>	<u>31/12/2025</u>
Discount rate	19.48%	19.48%
Inflation rate	12.30%	12.30%
Benefits increase rate	12%	12%

-The expected benefits through the next five years:

The first year	10 768 428
The second year	8 614 509
The third year	14 717 139
The fourth year	17 554 517
The fifth year	21 102 850
The next five years	123 320 875

Sensitivity analysis of actuarial assumptions:

	<u>Change in assumptions</u>		<u>Change in Liabilities</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	%0.05	%0.05	(108 533 296)	117 939 011
Discount rate	%0.05	%0.05	113 061 543	(113 061 543)

23- Net Sales

	<u>31/3/2026</u>	<u>31/3/2025</u>
Export sales	6 424 304 289	4 976 352 838
Domestic sales	1 755 401 941	1 365 882 584
	<u>8 179 706 230</u>	<u>6 342 235 422</u>

Segment reports:

The chief operating decision maker has been identified as the Company's Board of Directors. The Board of Directors reviews the Group's internal reports in order to assess its performance and allocate resources, mainly from a geographical perspective.

The following information is provided on a regular basis to the chief operating decision maker and is measured consistently with the financial statements.

Misr Fertilizers Production Company "MOPCO"

Notes to the interim financial statements for the period ended March 31, 2026

	31/3/2026			31/3/2025		
	In Egyptian pound			In Egyptian pound		
	Export	Domestic	Total	Export	Domestic	Total
Urea	6 057 189 763	1 190 164 190	7 247 353 953	4 625 027 836	829 403 017	5 454 430 853
Ammonia	367 114 526	565 113 947	932 228 473	351 325 002	536 429 117	887 754 119
Other	-	123 804	123 804	-	50 450	50 450
	6 424 304 289	1 755 401 941	8 179 706 230	4 976 352 838	1 365 882 584	6 342 235 422

24- Cost of Sales

	31/3/2026	31/3/2025
Gas	2 712 743 437	2 107 699 594
Other materials	188 732 921	252 135 689
Salaries and wages	201 850 272	179 091 352
Depreciation and amortization	559 794 204	552 594 335
Cost of pension obligations	8 249 803	824 277
Other industrial expenses	95 536 910	140 639 650
Change in Finished Goods and Work in Process inventory	(84 814 282)	(237 844 628)
	3 682 093 265	2 995 140 269

25- Other income

	31/3/2026	31/3/2025
Supplier and customer gratuities	34 425 483	6 840 412
Scrap metal sales	181 203	295 518
Other revenue	35 831	-
Capital gains	-	922 076
Provision no longer required	-	5 589
	36 642 517	8 063 595

26- Selling and marketing expenses

	31/3/2026	31/3/2025
Packaging materials	94 362 949	52 320 356
Salaries and wages	21 556 235	18 749 814
Depreciation	15 534 662	10 722 177
Products shipping and transportation expenses	34 764 506	23 811 377
Cost of pension obligations	888 670	87 295
Other selling and marketing expenses	9 805 443	8 250 154
	176 912 465	113 941 173

*Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026*

27- General and administrative expenses

	<u>31/3/2026</u>	<u>31/3/2025</u>
Administrative salaries and wages	74 656 676	70 660 494
Contribution to comprehensive health insurance	26 967 907	17 356 315
Administrative depreciation	15 293 826	13 041 002
Attendance allowances for BOD	955 000	673 000
Cost of pension obligations	3 265 075	343 332
Accounting fees	363 000	183 500
Other General and administrative expenses	39 237 403	31 909 071
	<u>160 738 887</u>	<u>134 166 714</u>

28- Other Expenses

	<u>31/3/2026</u>	<u>31/12/2025</u>
Donations	5 495 167	5 683 070
	<u>5 495 167</u>	<u>5 683 070</u>

29- Finance cost:

	<u>Note No.</u>	<u>31/3/2026</u>	<u>31/3/2025</u>
Interest expense on lease liability	(16)	1 499 229	1 935 567
Interest expense on employee benefits obligation	(22-2)	33 823 226	20 690 954
		<u>35 322 455</u>	<u>22 626 521</u>

30- Finance income:

	<u>31/3/2026</u>	<u>31/3/2025</u>
Revenue from financial assets at amortized cost "Treasury bills"	109 201 006	-
Revenue from financial assets at amortized cost "Government bonds"	241 114 968	310 789 240
Change in financial assets at Fair value through profit or loss	188 789 989	188 482 177
Other credit interest	36 053 993	92 288 028
	<u>575 159 956</u>	<u>591 559 445</u>

31- Expected credit losses

In Egyptian Pounds	<u>Note no.</u>	<u>01/01/2026</u>	<u>Formed</u>	<u>Reversed</u>	<u>31/3/2026</u>
Cash and cash equivalent	(14)	3 583 469	717 602	-	4 301 071
Financial investments at amortized cost	(7)	13 802 997	19 344 574	-	33 147 571
Accounts receivable	(11)	7 449 342	-	(115 782)	7 333 560
Related parties	(13)	663 272	116 971	-	780 243
Debtors and other debit balances	(12)	552 387	92 248	-	644 635
Other financial assets	(9)	14 609 562	12 884 514	-	27 494 076
		<u>40 661 029</u>	<u>33 155 909</u>	<u>(115 782)</u>	<u>73 701 156</u>

*Misr Fertilizers Production Company "MOPCO"
Notes to the interim financial statements for the period ended March 31, 2026*

32- Income tax

	31/3/2026	31/3/2025
Current income tax		
Current income tax.	1 375 862 578	766 421 679
Independent tax base	21 840 201	-
Current income tax	1 397 702 779	766 421 679
Deferred income tax		
Fixed and other assets	(84 378 561)	(44 962 317)
Foreign currency exchange differences	117 285 041	(20 887 259)
Provision for employee benefits liability	(9 240 116)	(4 533 199)
Other Provisions	-	6 748
Provision for Expected credit losses	(7 434 029)	(17 536 288)
Deferred income tax	16 232 335	(87 912 315)
Income tax	1 413 935 114	678 509 364
<u>Adjustments to calculate income tax effective tax rate:</u>		
	31/3/2026	31/3/2025
Profit before income tax	6 693 560 698	3 491 512 624
Income tax as per tax law "22.5%"	1 506 051 157	785 590 340
Non-deductible expenses	29 182 799	5 255 093
Independent tax base	(12 840 201)	-
Revenue exempted from tax	(108 458 641)	(112 336 069)
Income tax	1 413 935 114	678 509 364
Effective tax rate	21.12%	19.43%

33- Basic and diluted earnings Per Share

	31/3/2026	31/3/2025
Net profit for the year	5 279 925 585	2 813 003 260
Weighted average no. of shares	2 868 140 263	2 868 140 263
	1.84	.98

The Ordinary General Assembly, held on April 6, 2026, approved the company's dividend distribution for the financial year ended December 31, 2025., as follows:

* Shareholders' dividends of EGP 3.94 per share. Total income: EGP 11,296,540,287.

* Employees' distribution: EGP 1,355,584,834.

* Board of Directors' remuneration: EGP 39,916,112

34- Fair value of financial instruments and management of its related risk:

Financial instruments are represented in financial assets (balances of cash and cash equivalent, subsidiary loan, due from related parties, advance payment suppliers and monetary items included in the debtors and other debit

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balances) in addition to financial liabilities (due to related parties, and monetary items included in creditors and other credit balances). According to the basis of evaluation applied to the Company's assets & liabilities, the carrying amounts for these financial instruments provide a reasonable estimate of their fair values.

- Interest risk
- Foreign exchange risk
- Credit risk
- Liquidity risk

A. Interest rate risk

This risk is represented in the effect of changes in interest rates adversely on the value of the company's assets and liabilities. The company's management invests its cash investments in channels with fixed interest rates and for short-term periods in order to avoid the adverse effect of interest rate changes on the value of its assets and the return on them. The company follows up and analyses the interest rate risks regularly and calculates the impact of movements in market interest rates on the statement of profit or loss.

The following table shows the balances of financial assets at the date of the financial position with fixed and variable interest rates:

Fixed interest rate

In Egyptian pound	<u>31/3/2026</u>	<u>31/12/2025</u>
Time deposits	1 882 416 600	2 907 302 700
Financial assets at amortized cost (non-current)	12 199 193 104	10 659 141 927
Financial assets at amortized cost (current)	3 641 034 275	734 010 745
Financial assets at fair value through profit or loss	6 599 130 478	2 573 762 308
	<u>24 321 774 457</u>	<u>16 874 217 680</u>

B. Foreign exchange risk

The company carries out some of its operational activities in foreign currencies, and therefore the company is exposed to the risk of fluctuations in foreign currencies with regard to payment schedules or collection of obligations or rights in currencies different from its own recording currency.

These obligations and rights are usually related to operational spending that is made with suppliers in currencies other than the Egyptian pound and revenues arising from some services rendered to clients abroad in addition to the loan balance granted to the subsidiary in US dollars. The company monitors the risk of fluctuations in foreign currencies arising from operational activities.

At the end of the financial position, the net assets / (liabilities) of the main foreign currencies adjusted in Egyptian pounds, are as follows:

<u>Financial assets</u>	<u>Foreign currencies</u>	<u>Equivalent in Egyptian pound</u>
USD	285 803 139	15 594 219 524
EURO	1 536 033	96 803 077
<u>Financial liability</u>	<u>Foreign currencies</u>	<u>Equivalent in Egyptian pound</u>
USD	19 713 207	1 057 607 794
EURO	11 709	737 947
GBP	35 654	2 573 156

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Below are the major foreign exchange rates

In Egyptian pound	Closing rate		Average rate	
	31/3/2026	31/12/2025	31/3/2026	31/3/2025
USD	54.5628	47.6607	49.2745	50.8414
EURO	63.0215	56.0149	57.8231	52.6224
Sterling pound	72.1702	64.2228	66.3150	63.6433

Response analysis :

An increase / decrease in the value of the Egyptian Pound against other currencies on foreign currency balances on March 31, 2026 may lead to a decrease / increase in shareholders' equity and profit or loss. according to the value shown below_

This analysis is based on exchange rate changes, which the company believes are considered a possibility that can be achieved. It is assumed in this analysis that all other variables, especially interest rates, remain constant and the impact of expected revenues and Expected costs.

The contribution to the 10% change from the closing price was as follows:

Currency	March 31, 2026
Dollar	1 451 816 173
Euro	9 606 513
Sterling pound	(257 316)

C. Credit risk

- The credit risk for the company is related to the failure of the contracting parties to fulfill contractual obligations, especially with regard to balances due from customers, financial instruments, bank balances and the like.

All customers' balances have been collected during the subsequent period from the date of issuance of the financial statements

It is possible to analyze the credit risks to which the company is exposed at the level of each sector as follows:

Local customers:

The credit risk of local customers is limited, as local customers are granted a credit period of up to 15 days from the date of issuing the invoice, as credit customers are inquired before agreeing to grant them the said period to ensure the creditworthiness of those companies.

Foreign customers:

The credit risk of external customers is limited because most of the company's external customers are reputable customers and sales are made to them in exchange of letters of credits or advance payment policy.

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Cash balances at banks:

The credit risk associated with cash balances and cash equivalents is a very limited risk, as the group deals with banks with a good reputation in the market.

In Egyptian pound	Note no.	31/3/2026	31/12/2025
Financial assets at amortized cost	(7)	15 840 227 379	11 393 152 672
Financial assets at fair value through profit or loss	(8)	6 599 130 478	2 573 762 308
Other financial assets	(9)	1 145 626 124	1 010 115 488
Accounts receivable	(11)	1 438 263 388	1 446 674 104
Debtors and other debit balances	(12)	1 179 535 686	1 449 408 364
Cash at banks and on hand	(14)	2 069 118 388	2 971 664 846
		28 271 901 443	20 844 777 782

D. Liquidity risk

Liquidity risk is represented in the factors that may affect the company's ability to pay all its obligations. The management monitors each of the liquidity risk resulting from the uncertainty associated with the cash inflows and outflows by maintaining an adequate level of cash balances.

E. Capital Management

The company's capital management aims to maintain its ability to continue as a going concern, generating returns for shareholders and providing benefits to other stakeholders who use the financial statements. It also aims to provide and maintain the optimal capital structure to minimize the cost of capital.

F. Other Risks

On February 28, 2026, regional parties entered into a military conflict in the Middle East, which has heightened geopolitical tensions in the region and increased global economic uncertainty. Such developments, if they persist or escalate, may indirectly affect the Company's operations through fluctuations in energy and shipping prices, exchange rates, and the availability of supply chains. However, as of the date of preparing the financial statements, management is unable to reliably determine or measure the potential financial impact of these events due to the unclear scope and duration of their economic effects. To date, no material direct impact has arisen on the Company's financial position or results of operations.

35- Subsequent events

- In April 2026, a ministerial decree was issued by the Ministry imposing an export duty of US\$ 90 per ton on exported fertilizers. With implementation scheduled to begin in May 2026. The management is currently complying with the decree while evaluating its impact on the company's profitability.
- The company's Board of Directors, in its meeting held on March 9, 2026, resolved to finalize a financing agreement for \$150 million with Qatar National Bank, in addition to other contributing entities, as part of the company's financing strategy. The agreement has not been signed as of the date of issuance of the financial statements.

36- Contingent liabilities

The value of letters of guarantee and letters of credit issued by banks for the Company and for the benefit of third parties on March 31, 2026 amounted to 21 million US dollars and the value of the cash cover withheld on account of those letters of guarantee and credit amounted to 100% of their value, which is included in other financial assets and the goods in transit.

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37- Capital Commitments

Capital commitments are represented in the value of contracts that the company signed to gain or construct a fixed assets and still not yet completed as at March 31, 2026. The following table shows these significant contracts:

<u>In million</u>	<u>Total contract value as at 31/3/2026</u>	<u>Completed contracts as at 31/3/2026</u>	<u>Incomplete contracts as at 31/3/2026</u>
Contracts in Egyptian pound	2 038	1 099	939
Contracts in USD	5	1	4
Contracts in EURO	189	88	101

38- Tax Position

First: Corporate Tax

Misr Fertilizers Production Company- MOPCO, an Egyptian joint stock company, was established under the provisions of law no. 8 of 1997. The Company was registered in the commercial register under the no. 33300 Suez on the date July 26, 1998, with Tax registration number 790/022/205 and is charged at the tax center of major financiers.

Years from 1999 to the year ending December 31, 2021: -

The Company has been inspected and the tax differences were settled, and paid.

Year 2022 till year 2024

The annual declaration was prepared and submitted within the legal deadline, and payment was made through the General Petroleum Authority.

Second: Payroll tax

Years from the beginning of the activity till year ended December 31, 2022

The Company has been inspected and the tax was paid.

Years from 1/1/2023 till 31/3/2026:

The company is deducting and paying taxes on a regular basis within the due dates. The company is also implementing the provisions of Law No. 91 of 2005 and its executive regulations, as well as Law No. 206 of 2020.

Third: Stamp tax

Years from the beginning of the activity till year ended December 31, 2022

The Company has been inspected, and the tax was paid.

Years from 1/1/2023 to 31/3/2026

The company is paying the tax on its dates.

Fourth :Sales tax and Value added tax

Years from the beginning of the activity till year ended December 31, 2023

The Company has been inspected and the tax was paid together with the due additional tax differences.

Years from 1/1/2024 till 31/3/2026:

The company applies Law No. 67 of 2016 and Law No. 206 of 2020, and submits monthly value added tax returns on the due dates.

Fifth: Property tax

The company is subject to property tax starting from July 1, 2013.

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- The company was notified by the Kafr Al-Batikh Property tax office request to conduct an observation inspection for the Company's industrial buildings.
- The property tax committee attended, and the observation inspection was conducted with a full explanation and description of the facilities.
- The Company pays the property tax on regular basis.
- The Prime Minister's Decision No. 61 of 2022 that charging the Ministry of Finance with the full value of the due property tax on the buildings used in industrial activities mentioned exclusively in the decision -which includes the company's activity, starting from 1/1/2022 for a period of three years, The decision has been renewed till 1/1/2027.

Tax position of the merged company:

A- Corporate tax

- The Egyptian Company for Nitrogen Products (ENPC) was established as an Egyptian joint stock company in accordance with the provisions of Law No. 8 of 1997 issuing the Investment Guarantees and Incentives Law, the company was registered in the commercial register under No. 17968 dated 5/3/2006 and its tax registration number 036/456/237 and it is charged at the tax center of major financiers.
- In accordance with the provisions of Law No. 114 of 2008 dated May 5, 2008, all licenses for investment projects in the system of private free zones in the field of fertilizer industry have been terminated, and accordingly, from this date, the company does not enjoy the provisions of special free zones.
- The company was marked with delisting from the commercial register on 13 December 2023.

Years from beginning of activity till 2023

The company was inspected and the tax was paid.

B- Payroll tax

Years from beginning of activity to 2022

The company were inspected and the tax were paid.

From 1/1/2023 to 13/12/2023 (Merger Date)

The company is regular in payment until the date of the merger and the company has not been notified of the examination form until this date

C- Sales and value added tax:

Years from beginning of activity to 31/12/2023 (Merger Date)

The company was inspected and the tax was paid.

D- Stamp tax

From beginning of activity to 13/12/2023 (Merger Date)

The company was inspected and the tax was paid.

39- Disputes

39-1 The New Urban Communities Authority and the New Damietta Development Authority filed a lawsuit (Case No. 1486 of 2012, Civil Court of Kafr Saad) against the Egyptian Petrochemicals Holding Company and the subsidiary, demanding payment of EGP 157 million for the use of a 324,608 m² plot of land, in addition to interest and compensation, based on a rate of EGP 6/m²/month. The subsidiary disputes this rate, asserting it should be EGP 6/m²/year.

On February 1, 2015, a memorandum of understanding was signed with the Ministry of Defense to resolve the dispute. This agreement included the handover of the land, the provision of an alternative site, and appropriate compensation for the subsidiary for the land and losses incurred.

A judgment was issued obligating the subsidiary to pay approximately EGP 38 million. This judgment was appealed but upheld. The subsidiary then appealed to the Court of Cassation and paid the amount in January

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2022. It should be noted that the appeal does not suspend the execution of the judgment, and no hearing date has been set to date.

39-2 The company received a claim from Petrotrade in the amount of EGP 4 million represented in the interests of delay in the payment of gas bills. The company and its legal advisor consider that Petrotrade has no right to claim the delay benefits according to the gas supply contract.

39-3 On March 26, 2007, the Egyptian Nitrogen Products Company (a subsidiary of MOPCO) purchased a 150,000 m² plot of land in Al Rehab Industrial Zone in New Damietta for a total of \$4.5 million and EGP 3.75 million. The full price was paid, and the transfer procedures were completed in the company's favor, in accordance with the approvals of the Urban Communities Authority.

Despite the company commencing the development of the land for environmentally friendly industrial projects, it was surprised in August 2023 by an objection from the New Damietta Development Authority, which claimed ownership of the land.

The company presented the dispute to the Ministerial Committee for Investment Dispute Resolution, with the support of legal authorities and initial approval from the Prime Minister. After deliberations, the committee issued a decision—approved by the Cabinet on June 4, 2025—obligating the Urban Communities Authority to rescind its decision to cancel the land allocation, thus confirming Mopco's ownership rights. The General Investment Authority has appealed the ruling, and a hearing has not yet been set for the ruling.

40- Significant Accounting policies applied

40-1 Foreign currency translation

The company's accounts are maintained (in Egyptian pounds), and transactions in foreign currencies are recorded in the books on the basis of the exchange rates in effect for foreign currencies at the time of recording the transactions. On the date of the financial position, the balances of monetary assets and liabilities in foreign currencies are translated into the currency of dealing using the exchange rates in effect on that date. Non-monetary balances that are measured on a historical cost basis in foreign currencies are translated using the exchange rate at the date of the transaction. Currency differences in profit or loss resulting from transactions during the year and from revaluation at the date of the financial position are included in the profit or loss statement.

40-2 Fixed Assets and their depreciation

Recognition and measurement

- Fixed assets that are used in production, providing goods & services or for administrative purposes are stated at historical cost less accumulated depreciation and cumulative impairment losses resulted from impairment in the values of fixed assets. Cost includes expenditures that are directly attributable to the acquisition of the asset and necessary to have the asset ready for use in the purpose for which the management decided asset to be acquired for.
- When parts of an item of fixed assets have different useful lives, they are accounted for as items (major components) of fixed assets.
- Assets are stated in the construction phase for production or for rent or for administrative purposes at cost less cumulative impairment losses. Cost includes professional fees and all direct costs related to the asset. Depreciation of these assets starts when they are completed and prepared for use in a specific purpose.
- The cost of internal constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs to acquisition

The cost of replacing a component of an asset is recognized in the cost of the asset after dispose the cost of that component when the company incurs the replacement cost and if it is probable that future economic benefits will flow to the company as a result of replacing this component, on condition of the possibility of measuring its cost with a high degree of accuracy. Other costs are recognized in the income statement as an expense when incurred.

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Depreciation

- Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each type of asset or the useful life of major components of an item of fixed assets which are accounted for individually. (Land is not subject to depreciation). The estimated useful lives of the fixed assets for depreciation calculation are as following: -

<u>Description</u>	<u>Depreciation rate</u>
- Buildings and construction	25% - 2.56%
- Vehicles and transportation	20%
- Machines, production lines*	4% - 20%
- Tools and equipment	14.29% - 15%
- Aid factors	10% - 50%
- Furniture and movables	10% - 20%
- Central	15%
- Computers	33.33% - 25%

- Fixed Assets are depreciated when it ready for use in the intended purpose.

* The Board of Directors No. 231, that held on October 2, 2013, approved by decision No.1094 to modify the useful lives of machines and equipment from 25 to be 20 years starting from January 1, 2013, in addition, agreed to modify the useful life of Gas Cooler from 20 to be 8 years by decision No. 1128 starting from January 1, 2014, and for three years.

Profit and loss from disposal of fixed assets:

Profit and losses from disposal of fixed assets are identified by comparing the disposal return with the net book value of the asset, and the resulting profits or losses are recorded in the statement of profit or loss.

40-3 Projects under construction

Projects under construction is recorded at cost less accumulated impairment in value, if any, and the cost includes all costs directly related to the asset and necessary to prepare the asset to the state in which it is operated and for the purpose for which it was acquired. Projects under construction are transferred to the item of fixed assets when they are completed and available for the purpose for which they were acquired, and then their depreciation begins using the same bases used in the depreciation of similar items of fixed assets.

40-4 Other assets

A. Recognition

Identifiable non-monetary assets acquired for business purposes and from which future benefits are expected to flow are treated as other assets. Other assets consist of the Company's contribution in assets not owned to it and serve its purposes, as gas pipeline.

B. Measurement

Other assets are measured at cost, being the cash price at recognition date.

If payment is deferred beyond the normal credit terms the difference between the cash price equivalent and the total payment is recognized as interest over the period of credit. Other assets are presented net of accumulated amortization and accumulated impairment losses

C. Subsequent expenditures

Subsequent expenditure on the acquisition of other assets is capitalized only when such expenditure increases the future economic benefits of the asset to which it relates. All other expenses are charged to the statement of profit or loss when incurred.

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D. Amortization

Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of other assets. Other assets with indefinite useful life are systematically tested for impairment at each statement of financial position date. Other assets are amortized from the date they are available for use as following:

<u>Description</u>	<u>Amortization</u>
- The Company's contribution in assets not owned to it and serve its purposes.	20%
- Gas pipeline	4%
- Licenses and software	25%

40-5 Impairment in the value of tangible and intangible assets

The company, on an annual basis - or whenever necessary - reviews the book values of its tangible assets to determine whether there are indications or indications of a possible impairment in their value. If such indications are available, the group estimates the recoverable value of each asset separately in order to determine impairment loss in its value. If it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In the event that logical and fixed bases are used to distribute assets to cash-generating units, the general assets of the group are also distributed to those units. If this cannot be achieved, the general assets of the group are distributed to the smallest group of cash-generating units that the group can identify using logical and fixed basis. With regard to intangible assets that do not have a specified default life or are not yet available for use, an annual test is conducted for impairment in their value, or as soon as there is any indication of the exposure of these assets to impairment.

The recoverable amount of the asset or the cash-generating unit is represented in the "fair value less costs to sell" or "value in use", whichever is greater.

The estimated future cash flows from the use of the asset or the cash-generating unit are discounted using a pre-tax discount rate to get the present value of those flows, which express their use value. This rate reflects current market estimates of the time value of money and the risks associated with that asset, which were not taken into account when estimating the future cash flows generated from it. If the estimated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is reduced to reflect its recoverable amount.

Impairment losses are recognized immediately in the income statement. And when the impairment loss recognized in previous periods is canceled out in a subsequent period, the book value of the asset (or cash-generating unit) is increased in line with the new estimated recoverable amount, provided that the revised book value after the increase does not exceed the original book value that could have been the asset would reach it if the loss resulting from impairment was not recognized in its value in previous years. Such reverse adjustment of impairment losses is recognized immediately in the profit or loss statement.

40-6 Revenue from contracts with customers

The company recognizes the revenue through the following five steps:

Step 1: Define the contract with the customer

Step 2: Identify performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Revenue is recognized when (or whenever) the entity fulfills the performance obligation.

A. Domestic sales

The date on which the goods were authorized to leave the company's gates.

B. Export sales

- According to the shipping terms, which is usually the date of shipment at the port.

- The value of the revenue is measured at the fair value of the consideration received or due to the entity when there is sufficient expectation that there will be future economic benefits that will flow to the entity, and that the value of this revenue can be measured accurately, and no revenue is recognized in the event of uncertainty about the recovery of this revenue or associated costs.

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40-7 Financial Instruments

Financial Assets:

Recognition and Initial Measurement:

On initial recognition, financial assets are classified according to the business model in which those financial assets are managed and their contractual cash flows, according to one of the following categories:

- (1) Debt instruments at amortized cost.
- (2) Debt instruments at fair value through other comprehensive income, "with profits or losses being reclassified to the statement of profit or loss upon disposal."
- (3) Equity instruments at fair value through other comprehensive income, "without reclassifying profits or losses to the statement of profit or loss upon disposal."
- (4) Financial assets at fair value through profit or loss, including equity instruments and derivatives.

Debt Instruments at Amortized Cost:

A financial asset is measured at amortized cost if it meets the following two conditions, and is not measured at fair value through profit or loss:

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
The contractual terms of the financial assets give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount repayable.

Debt instruments at fair value through other comprehensive income:

Debt instruments are measured at fair value through other comprehensive income (with profits or losses being reclassified to the statement of profit or loss upon disposal) only if the following two conditions are met and were not measured at fair value through profit or loss:

The asset is held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and

The contractual terms of the financial assets give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount repayable.

Debt instruments at fair value through other comprehensive income:

Upon initial recognition of an investment in shares that are not held for trading, the company may choose "irreversibly" to measure subsequent changes in fair value within the items of other comprehensive income "without reclassifying profits or losses to the statement of profit or loss upon disposal." This selection is made on an investment-by-investment basis.

Financial assets at fair value through profit or loss:

All other financial assets are classified as at fair value through profit or loss.

In addition, upon initial recognition, the company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, as at FVTPL, if doing so It will eliminate or significantly reduce an accounting mismatch that might otherwise arise.

Subsequent measurement:

Debt Instruments at Amortized Cost:

After initial measurement, debt instruments are measured at amortized cost using the effective interest rate method, less provision for impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Expected credit losses are recognized in the statement of profit or loss when the value of the investments is impaired.

Debt instruments at fair value through other comprehensive income:

Debt instruments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. Interest income and foreign exchange gains and losses are recognized in the statement of profit or loss in the same way for financial assets measured at amortized cost.

The method for calculating the expected credit losses for debt instruments at fair value through other comprehensive income. When a company has more than one investment in the same security, it is considered to have been disposed of on a first-in, first-out basis. On derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to the statement of profit or loss.

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Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value. Changes in fair value are recognized in the statement of profit or loss. The interest earned on assets that are obligatory to be measured at fair value is also recognized in the statement of profit or loss using the contractual interest rate, as explained in Note (3-25-1-4). Dividend income from equity instruments measured at fair value through profit or loss is recorded in the statement of profit or loss as other operating income when the right to payment is established.

Reclassification of Financial Assets:

The company does not reclassify its financial assets after initial recognition.

Disposal of the financial asset:

Derecognition from the books other than a material modification:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; In addition to:
 - a. The company has transferred substantially all the risks and rewards associated with the asset; or
 - b. The Company has neither transferred nor retained substantially all the risks and rewards associated with the asset but has transferred control of the asset.

The Company considers control to be transferred if, and only if, the transferee has the practical ability to sell the entire asset to an unrelated third party and can exercise that ability unilaterally and without additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case the Company also recognizes an associated liability. The transferred assets and its associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing participation that takes the form of a guarantee over the transferred asset is measured at the lower of the original book value of the asset and the maximum amount the company could be required to pay.

Derecognition from the books because of a material modification of the terms and conditions:

The Company derecognizes the financial asset when the terms and conditions are renegotiated to the extent that the financial asset becomes, to a large extent, a new instrument, with the difference being recognized as a gain or loss because of derecognition of the asset. In the case of amortized cost debt instruments, newly recognized loans are classified as stage 1 for the purposes of measuring ECL.

In assessing whether to derecognize a financial instrument, among other things, the Company considers the following factors:

- Change in the currency of the debt instrument.
- Introducing the equity instrument functionality.
- Change to the other side.
- If the adjustment is such that the instrument no longer meets the criterion of cash flows that are only principal and interest payments on the principal amount repayable.

If the adjustment does not result in substantially different cash flows, the adjustment does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the company records an adjustment gain or loss.

Impairment of Financial Assets:

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. The expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at the appropriate effective interest rate.

To assess the extent of impairment in the value of financial assets, financial assets are classified at the date of the financial statements into three stages:

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The first stage: financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for them for a period of 12 months.

The second stage: the financial assets that have witnessed a significant increase in credit risk since the initial recognition, and the expected credit loss is calculated for them over the life of the asset.

The third stage: the financial assets that have experienced impairment in their value, which requires calculating the expected credit losses for them over the life of the asset based on the difference between the book value of the instrument and the present value of the expected future cash flows.

The Company's investments in debt instruments consist only of treasury bills, government treasury bonds, and bonds rated in the top investment category (Very Good and Good) by international independent credit agencies and, therefore, are considered investments with low credit risk. It is the Company's policy to measure the expected credit losses on these instruments on a 12-month basis. When the credit risk of any bond deteriorates, the company sells the bonds and buys bonds that meet the required investment grade.

The Company considers a financial asset to be impaired (credit impaired) when contractual payments are past due 90 days or more. However, in some cases, the Company may also consider a financial asset to have defaulted on when internal or external information indicates that it is unlikely that the Company will receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement of Expected Credit Loss for Investments in Debt Instruments:

The company calculates ECL based on scenarios for measuring the expected cash shortfall, discounted at the appropriate effective interest rate. The cash shortage is the difference between the cash flows owed to the company in accordance with the contract and the cash flows the business expects to receive.

When estimating ECL, the company considers three scenarios (base case, upside, and downside).

The following are the main mechanisms and elements for measuring ECL:

- a) Probability of default: It is an estimate of the probability of default within a certain period. Failure is assessed only if the financial asset's balance has not been previously derecognized and is still recognized in the financial statements. The probability-to-failure model consists of a macroeconomic outlook and a segmentation of the portfolio of financial assets.
- b) Loss in the event of failure: It is an estimate of the loss arising in the event of failure. It is based on the difference between the contractual cash flows due and those the lender expects to receive, including cash flows from the sale of retained security or other credit enhancements.
- c) Balance at risk: An estimate of the balance at risk of failure at the future date of failure at the borrower's level, considering expected changes in the balance at risk after the end of the financial period, including interest accrued from missed payments.

The company classifies its financial assets subject to ECL calculations into one of the following categories, which are defined as follows:

(a) Stage one: 12-month expected credit loss

The financial instrument is classified as low risk upon initial recognition in the first stage and the credit risk is monitored on an ongoing basis by the company's management. The 12-month ECL is calculated as the portion of the long-term ECL that is the expected credit loss from default events on the financial instrument that is possible within 12 months after the reporting date. The Company calculates the 12-month ECL based on an expectation of default occurring in the 12 months after the reporting date. The 12-month forecasted odds of default are applied to the defaulted balance multiplied by the default loss and discounted at the appropriate effective interest rate. This calculation is made for each of the three scenarios, as described above. Interest income is computed on the total carrying amount of the financial asset (without deducting the provision for expected credit losses).

(b) The second stage: the expected credit loss over the life - with no impairment of credit value

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The second stage includes financial assets that have had a significant increase in credit risk since initial recognition, but there is no objective evidence of impairment. Expected credit losses are recognized over the life of those assets, but interest income continues to be calculated on the total carrying amount of the assets. Lifetime ECL is the expected credit loss resulting from all possible defaults over the expected life of the financial instrument, according to mechanisms like those described above, including the use of multiple scenarios, but the PD and PLN values are estimated on the life of the financial asset. Expected losses are discounted at the appropriate effective interest rate.

At the end of each reporting period, the Company assesses whether there has been a significant increase in the credit risk of financial assets since the first recognition. The Company uses both quantitative and qualitative information to determine whether there has been a significant increase in credit risk based on the characteristics of the financial asset. Quantitative information can be a downgrade in the credit rating below the investment grade. Qualitative information is obtained by monitoring current or expected adverse changes in business, financial or economic conditions that are expected to cause a material (negative) change in the debtor's ability to meet its obligations to the company. In general, the Company will consider a default on payment for a period of more than 30 days after the due date as an automatic indicator of a significant increase in credit risk.

If a significant increase in material risk is identified, this results in the transfer of all instruments in the range held with that party from Stage 1 to Stage 2.

(C) Stage Three: Lifetime Expected Credit Loss - Credit Impairment:

The third stage includes financial assets for which there is objective evidence of impairment at the date of the financial statements; For these assets, lifetime expected credit losses are recognized. Interest income is recognized on an amortized cost basis discounted by the expected credit losses from impairment. For debt instruments considered credit-impaired, the Company recognizes lifetime ECLs for such instruments, according to mechanisms like those described above, with the probability of default set at 100%.

The company identifies financial assets for which there is objective evidence of impairment under Egyptian Accounting Standard No. (47) by applying the definition of default used for credit risk management purposes. The company defines default as: any counterparty is unable to meet its obligations (regardless of the amount involved or the number of days due), or when the counterparties have more than 90 days of arrears.

When applying this definition, the following information may serve as evidence that a financial asset is credit-impaired:

- * a breach of contract such as failure or late payment.
- * it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- * The borrower is facing great financial difficulty due to the disappearance of an active market.

Change between stages (first, second, third):

(a) Change from the second stage to the first stage:

The financial asset is not transferred from the second stage to the first stage until after all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the returns are paid.

(B) Change from the third stage to the second stage:

The financial asset may not be transferred from the third stage to the second stage until all the following conditions are met:

- Completion of all quantitative and qualitative elements of the second stage.

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- Paying 20% of the outstanding balances of the financial asset, including the accrued interest set aside/marginalized.
- Regular payment for at least 12 months.

Measuring Expected Credit Loss:

The company has four types of financial assets that are subject to the ECL model:

- 1) Return receipts resulting from sales contracts with customers.
- 2) Interests for delaying the payment of the returned receipts.
- 3) The company's investments in debt instruments are measured according to the amortized cost method.
- 4) The company's investments in debt instruments are measured at fair value through other comprehensive income.

While cash and cash equivalents are also subject to impairment requirements for financial assets in accordance with Egyptian Accounting Standard No. (47) Financial Instruments, the measured impairment losses were not significant.

- Expected credit losses on financial assets as of March 31, 2026, were measured using an accounting firm, as follows:

- Simplified Approach: This approach was applied to customer balances by grouping them with similar risk characteristics and determining loss rates based on historical data, taking into account future expectations for macroeconomic indicators (such as growth rate, inflation rate, and unemployment rate). Expected credit losses were calculated using the formula:

Loss Rate × Balance at Risk × Probability of Default.

- Comprehensive Approach: This approach was applied to the company's investments in debt instruments at amortized cost, bank balances and deposits, and other financial assets, using external credit ratings in accordance with the Central Bank's guidelines for credit risk management. Future information was also considered to assess the occurrence of a substantial increase in credit risk, based on multiple economic scenarios (baseline, optimistic, and pessimistic) according to macroeconomic indicators.

- The loss rate for government debt instruments and one-month or shorter term deposits in Egyptian pounds was set at zero, in accordance with the Prime Minister's directives on this matter. • For measurement, the credit rating of the Arab Republic of Egypt was used, assuming a loss-at-default rate of 45%.

Equity tools

The Company subsequently measures all investments in equity instruments at fair value. And when the company's management chooses to present fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposing of the investment. Dividends from these investments continue to be recognized in the profit or loss statement as other income when the company's right to receive such distributions is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income / (expenses) item in the statement of profit or loss, as the case may be. Impairment losses (and the reversal of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are recognized separately from other changes in fair value.

Impairment

At the date of the financial statements, the Company assesses whether there is credit impairment of financial assets that are measured at amortized cost and securities that are measured at fair value through other

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comprehensive income. Credit impairment of a financial asset occurs when there is an event or detrimental events to the expected cash flows of the financial asset.

Evidence of credit impairment includes the following observable data:

- Breach of contract by defaulting on repaying the loan on the due date
- Restructuring the loan or advance payment from the company on terms that are not in the company's favor.
- It is probable that the borrower will go bankrupt or any other financial event, or the disappearance of an active market for the asset due to financial difficulties.

Provisions for financial assets at amortized cost are deducted from the total value of the asset.

Financial liabilities:

Financial liabilities are classified as either "at fair value through profit or loss" financial liabilities or other financial liabilities.

Other financial liabilities:

Other financial liabilities include loan balances, if any, accounts payable, balances due to related parties and other credit balances. The first financial liabilities are recognized at fair value (the value received) after deducting the cost of the transaction, provided that they are subsequently measured at amortized cost using the effective interest rate and the distribution of interest expense on related periods on the basis of the effective return.

The effective interest rate method is a method of calculating the amortized cost of financial liabilities and of charging interest expense over the relevant periods.

The effective interest rate is the rate that exactly discounts future cash payments through the estimated life of the financial liability, or a shorter appropriate period.

Derecognition of financial instruments from the books

A financial asset is derecognized when the company transfers substantially all the risks and benefits of ownership of the asset to a party outside the company. If the Company continues to control the transferred financial asset, then it recognizes the interest it retains in the asset and a corresponding liability representing the amounts it may have to pay.

But if the transaction results in the company retaining substantially all the risks and benefits of ownership of the transferred financial asset, then the company continues to recognize the financial asset, provided it also recognizes the amounts received as a loan against the guarantee of that asset.

Financial liabilities are derecognized when they are either settled, canceled or contractually expired.

Effective interest rate method

The effective interest rate method is used to calculate the amortized cost of financial assets that represent debt instruments and to distribute the return over the relevant periods. The effective interest rate is the rate on the basis of which future cash receipts are discounted (which includes all fees, payments or receipts between the parties to the contract, which are considered part of the effective interest rate as well as the transaction cost and any other premiums) over the estimated life of the financial assets or any appropriate shorter period.

The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profit or loss, where the return on them is included in the net change in their fair value.

40-8 Lease contracts

- The company, as a lessee, recognizes the right of use asset and the lease contract obligations at the commencement date of the lease.
- With initial recognition, right of use has been measured as the amount equal to the initial measurement of the lease liability, adjusted for past lease payments, initial direct cost, lease incentives, and the discounted present value of the estimated liability for disposal of the asset. Subsequently, the right-of-use asset will be measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the right of use assets or the lease term, whichever is shorter.
- The lease liability is measured at initial recognition at the present value of the future lease and related fixed service payments over the lease term, discounted at the interest rate implicit in the lease or the company's incremental borrowing rate. Generally, the company uses the incremental borrowing rate as the discount rate. The subsequent lease liability is measured at amortized cost using the effective interest method.
- Right of use assets and lease contract liability are subsequently remeasured if one of the following events occurs:

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- The change in the lease price due to the index or rate that became effective in the period of the financial statements.
- Amendments to the lease contract
- Re-evaluation of the lease term
- Leases that are short-term in nature (less than 12 months including extension options) and leases of low-value items will continue to be recognized as expenses in the profit or loss statement as incurred.

40-9 Investments accounted for using the equity method

Investments accounted for using the equity method consist of interests in associates and joint ventures. The group does not have rights to specific assets nor obligations for the liabilities related to the arrangement. Associates are entities over which the group has significant influence over financial and operating policies, but this influence does not amount to control or joint control.

A joint venture is a joint arrangement in which the group has joint control and rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method, whereby they are initially recognized at cost, including acquisition-related costs.

Subsequently, in the consolidated financial statements, the carrying amount of the investment is adjusted by increasing or decreasing it to reflect the group's share of profits or losses and other comprehensive income of the investee, up to the date when significant influence is lost or joint control ceases.

- 40-10 Inventories

- Inventories are stated at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses. The cost of inventory is determined as follows: -
 - Raw materials, supplies, fuel, oil and spare parts are valued at actual cost on the moving average basis.
 - Catalysts are valued at the actual purchase.
 - Finished goods and work in progress are valued at actual production cost which includes direct materials, direct labor and its share of manufacturing fixed and variable overheads.

40-11 Cash and cash equivalent

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, time deposits and treasury bills with maturity not exceeding three months and are represented net of banks - overdraft (if any) which is paid on demand and which is an integral part of the company's money management.

40-12 Contingent liabilities and Provisions

Provisions are recognized when there is an existing legal obligation or inferred from surrounding circumstances as a result of a past event and it is probable that an outflow of economic benefits will be used to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, then the value of the provisions is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks related to the obligation, if appropriate.

The balance of provisions is reviewed on the date of the financial position and adjusted (if necessary) to reflect the current best estimate .

40-13 Employee benefits

1-Employee benefits:

A-Short term Employee benefits:

- Wages and salaries Liabilities, including leave and allowances, expected to be paid in full within the twelve months following the end of the period during which employees provide the relevant service are recognized under employee services until the end of the disclosed financial period.

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- They are measured on the basis of the amounts expected to be paid when the liability is settled, and the liabilities appear as current employee bonus liabilities in the statement of financial position.

B-Long term employee benefits:

- Long-term employee benefits obligations are measured by the present value of the expected future payments that will be paid for the services provided by employees until the end of the disclosed financial period using the expected unit credit method and are recorded as a non-current liability and take into account the expected future increase in salaries and previous rates of workforce reduction and periods of service. Future payments are discounted using market returns at the end of the disclosed financial period on high-quality corporate bonds and government bonds with terms and currencies that match as closely as possible the estimated future cash outflows.
- The re-measurement is recognized resulting from the actuarial assumptions in the statement of other comprehensive income.
- Liabilities are presented as current liabilities in the statement of financial position unless the company has an unconditional right to postpone payment for a period of at least 12 months after the disclosed financial period, regardless of the date of actual payment.

B-1 Health care after retirement (Defined Benefit Plan):

- The company provides post-retirement health care benefits to eligible retirees and their dependents throughout their lives and accrues the expected costs of these benefits over the period of employment using a similar accounting method as that used in defined benefit programs.
- Remeasurement gains and losses resulting from adjustments and changes based on actuarial assumptions are charged to the statement of other comprehensive income in the period in which they arise, and the obligations are evaluated annually by an actuarial expert.
- Accounting for these programs requires the Company to make certain assumptions regarding discount rates used to measure future liabilities and expenses, inflation rates, trend rates for health care costs and mortality, and other assumptions, and these assumptions are subject to change significantly.
- Actuarial valuations, market conditions, and changes in contracted benefits. The testing of assumptions is based on past trends and future estimates based on economic and market conditions at the valuation date. However, actual results may differ materially from the estimates based on the significant assumptions used.

B-2 End of service benefits upon retirement on a pension:

- The actuarial evaluation process takes into account the provisions of the work system and company policy.
- The net liability recognized in the stated statement of financial position for the post-employment defined benefit program represents the present value of the expected defined benefit obligation less the fair value of the program assets (if any) at the date of the financial statements.
- Defined benefit obligations are remeasured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates for high-quality corporate bonds that are denominated in the currency in which the benefits are paid and that have maturity periods similar to the duration of the relevant obligations.
- In countries where there are no markets for such types of bonds, market rates for government bonds are used.
- The net interest cost is calculated by applying discount rates to the net balance of the defined benefit obligation and the fair value of the program assets, if any.
- Current service costs are calculated using the actuarially determined pension cost rate at the end of the previous year adjusted to account for significant market fluctuations and any significant non-recurring events such as plan modifications, curtailments and adjustments.
- In the absence of these significant market fluctuations and one-time events, the actuarial obligations are extended based on the assumptions at the beginning of the year.
- If there are material changes to the assumptions or arrangements during the initial period, consideration should be given to remeasuring those obligations and related costs.
- Remeasurement gains or losses arising from changes in actuarial assumptions in the period during which they occur are included in the statement of other comprehensive income.
- Changes in the present value of the defined benefit obligation resulting from program modifications or workforce reductions are recognized directly in the profit or loss statement as past service costs.
- When the benefits program is modified, the portion of benefits related to employees' prior service is recognized as an expense or revenue.

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- Current and past service costs related to post-service benefits are immediately recognized in the income statement with the reversal of the liability according to the discount rates used and include transfer costs and any changes in the net liability that are directed to the actuarial evaluation process, and changes in assumptions are considered as remeasurements in other comprehensive income items.

B-3 Employee retirement pension liabilities

The company pays its contributions to the systems of the General Authority for Social Insurance on a mandatory basis in accordance with Social Insurance Law No. 79 of 1975 and its amendments, and the company does not have any other obligations once it pays its obligations. Regular contributions are recognized as a periodic cost in the year they are due and are included in the labor cost in the statement of profit or loss.

Expenses resulting from the specified subscription system are charged to the statement of profit or loss according to the accrual basis.

40-14 Employees profit share:

The Company pays a minimum of 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries. Any amount exceeding the total salaries is invested in funds for the benefit of the employees.

Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders. And the Company did not realize liability for profit sharing to its employees for non-distributed profits.

40-15 Legal reserve

According to the companies' law and the Company's status, at least 5% of the net profit is retained to form legal reserve till it reaches 50% of the issued capital, transferring to the legal reserve stops when it reaches 50% of the issued capital. When the legal reserve declines below 50%, the Company starts retaining at least 5% of its net profit till it reaches 50% of the issued capital again. This reserve is not subject to distribution but may be used to increase capital or mitigate losses.

Legal reserve is recognized in the financial year where the ordinary general assembly meeting been approved to decide the increase of the reserve.

40-16 Accounting for income tax

Income Taxes and deferred taxes

A provision is formed to meet possible tax liabilities and disputes from the management point of view in light of the received tax claims and after conducting the necessary studies in this regard.

- The company's independent profit or loss statement is periodically charged with an estimated tax burden for each fiscal period, which includes both the current tax value and the deferred tax, provided that the actual tax burden is established at the end of each fiscal year.
- Deferred tax assets and liabilities represent the expected tax effects of the temporary differences resulting from the difference in the value of assets and liabilities according to tax rules and between the book values of those assets and liabilities according to the accounting principles used in preparing the financial statements.
- The current tax is calculated on the basis of the tax base determined according to the laws, regulations and instructions in force in this regard and using the tax rates in force at the date of preparing the financial statements, while the deferred tax value is determined using the tax rates expected to be applied in the periods during which the obligation will be settled or the asset will be used based on the tax rates and tax laws in force at the date of the financial statements.
- The deferred tax is recorded as an expense or revenue in the income statement, except for those related to items that are directly recorded within the equity, so the related deferred tax is also dealt directly within the equity.
- In general, all deferred tax liabilities (resulting from taxable temporary differences in the future) are recognized, while deferred tax assets (resulting from taxable temporary differences) are not recognized unless there is a strong probability or other convincing evidence of achieving sufficient tax profits in the future.

40-17 Segment report

Operating segments are disclosed in a manner consistent with the internal reporting information provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Board of Directors.

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40-18 Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

40-19 Statement of Cash Flows

The statement of cash flows is prepared using the indirect method.