MISR FERTILIZERS PRODUCTION COMPANY (S.A.E)

(MOPCO)

THE PERIODICAL STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED September 30, 2025

And Limited Review Report

<u>Component</u>

Crowe

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Auditor's Report on Review of Interim Financial Statements

To the Board of Directors of Misr Fertilizers Production Company "MOPCO"

1. *Introduction*

We have carried out a limited review of the interim financial statements of Misr Fertilizers Production Company "MOPCO", represented in the accompanying balance sheet as of September 30,2025, and the related statements of profit or losses, comprehensive income, changes in shareholders' equity, and cash flows for the period then ended and a summary of the 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.

2. *Scope of Limited Review*

We conducted our review in accordance with Egyptian Standard on Limited Review Engagements No. 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, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

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3. Un Qualified Conclusion

Based on our limited review referred to above, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of Misr Fertilizers Production Company "MOPCO" (S.A.E) as at September 30 , 2025, and of its financial performance and cash flows for the period then ended in accordance with Egyptian Accounting Standards.

Auditor

Khaled Hegazy

Dr. Khaled A.M. Hegazy

Fellow of the Egyptian Society of Accountants & Auditors
Accountants & Auditors Register "AAR" No. 10945
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Dated: November 13 ,2025

Crowe
Dr. Khaled A Hegazy
Dr. A. M. Hegazy & Co
Accountants & Consultants

Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

Periodical statement of financial position as at September 30, 2025

In Egyptian pound	Notes NO.	30/9/2025	31/12/2024
Assets			
Non-current assets			
Fixed assets & Projects under construction	(3)	37,524,969,065	34,632,006,997
Other assets & Projects under construction	(4)	71,173,116	68,215,075
Right of use assets	(5)	76,036,244	88,041,967
Investments in associate companies that are accounted for by the equity method	(6)	2,424,170	2,407,651
Financial assets at amortized cost	(7)	10,363,818,232	5,562,646,156
Other financial assets	(9)	995,725,194	1,131,212,791
Total non-current assets		**49,034,146,021**	**41,484,530,637**
Current assets			
Inventory	(10)	2,026,460,366	1,713,951,385
Accounts receivable	(11)	912,010,756	541,148,818
Financial assets at amortized cost	(7)	699,228,104	3,827,217,186
Financial assets at fair value through profit or loss	(8)	1,939,744,591	2,869,467,104
Debtors and other debit balances	(12)	1,303,775,599	845,817,862
Due from related parties	13-C	393,629	42,873
suppliers "Advance payments"		95,752,188	40,559,983
Cash at banks and on hand	(14)	1,185,119,691	6,679,913,892
Total current assets		**8,162,484,924**	**16,518,119,103**
Total Assets		**57,196,630,945**	**58,002,649,740**
Equity			
Issued and paid-up capital	20-B	28,681,402,630	20,791,840,110
Legal reserve		1,968,302,274	1,212,315,306
General reserve	20- C	352,383,742	352,383,742
Result of the merging process		-	7,889,562,509
Retained earnings		13,338,387,575	15,132,261,531
Total Equity		**44,340,476,221**	**45,378,363,198**
liabilities			
Non-current liabilities			
Lease Liabilities	(16)	127,395,343	165,150,556
Deferred tax liabilities	(21)	6,842,955,398	7,767,168,024
Non-current employee benefits obligations	(22)	531,376,168	531,376,168
Total non-current liabilities		**7,501,726,909**	**8,463,694,748**
Current liabilities			
Current income tax	(15)	2,663,851,433	2,913,267,306
Lease Liabilities	(16)	30,691,661	26,425,248
Trade Payables	(17)	534,154,373	397,661,913
Creditors and other credit balances	(18)	1,011,384,656	429,516,144
Advanced payments from customers (contract liability)		998,138,921	135,401,296
current employee benefits obligation	(22)	61,862,066	3,063,879
Provisions	(19)	54,344,705	255,256,008
Total current liabilities		**5,354,427,815**	**4,160,591,794**
Total liabilities		**12,856,154,724**	**12,624,286,542**
Total equity & liabilities		**57,196,630,945**	**58,002,649,740**

The accompanying notes from (1) to (42) are an integral part of the periodical financial statements and to be read therewith.

The company's vice president for financial & economic affairs

Accountant / Mohamed Al-Shayeb

Chairman of Board of Directors & Managing Director

Engineer / Ahmed Mahmoud El-Sayed

Limited Review Report (attached)

Misr Fertilizer Production Company (Mopco)

Egyptian Joint stock company

periodical Statement of profit or loss for the period ended at

In Egyptian pound	Notes	The nine months ended on 30/9/2025	The nine months ended on 30/9/2024	The three months ended on 30/9/2025	The three months ended on 30/9/2024
Net Sales	(23)	18,595,667,184	13,084,952,146	5,258,497,718	3,152,113,194
Cost of sales	(24)	(9,129,581,794)	(7,580,165,267)	(2,654,897,236)	(2,252,076,119)
Gross profit		**9,466,085,390**	**5,504,786,880**	**2,603,600,482**	**900,037,076**
Other income	(25)	243,629,137	133,918,013	35,814,671	105,255,883
Selling and marketing expenses	(26)	(374,604,511)	(371,000,136)	(121,865,783)	(94,589,958)
General and administrative expenses	(27)	(447,406,027)	(413,182,148)	(157,452,770)	(130,285,705)
Capital gains/(losses)	(28)	13,781,925	-	15,939,000	-
Other expenses	(29)	(17,287,947)	(29,046,740)	(9,203,114)	(6,321,691)
expected credit losses	(32)	(26,297,547)	(215,065,406)	17,296,901	147,463,356
operating profit		**8,857,900,420**	**4,610,410,463**	**2,384,129,387**	**921,558,961**
Finance income	(31)	1,835,386,445	1,622,951,877	601,346,165	472,511,767
Finance costs	(30)	(67,580,104)	(39,817,369)	(22,416,821)	(13,459,412)
Foreign currency translation gains/(loss)		(1,031,318,988)	8,422,531,088	(578,783,363)	277,065,855
Net finance income		**736,487,353**	**10,005,665,596**	**145,981**	**736,118,210**
Net profit for the period before income tax		**9,594,387,773**	**14,616,076,059**	**2,384,275,368**	**1,657,677,171**
Income tax	(33)	(2,734,105,974)	(2,478,349,321)	(1,154,793,627)	(1,094,456,421)
Deferred Tax	(33)	924,212,626	(581,586,135)	737,945,047	788,593,979
Total Income tax		**(1,809,893,348)**	**(3,059,935,456)**	**(416,848,580)**	**(305,862,442)**
Net profit for the period after income tax		**7,784,494,425**	**11,556,140,603**	**1,967,426,788**	**1,351,814,729**
Basic and diluted earnings per share	(34)	2.71	4.03	.69	.47

The accompanying notes from (1) to (42) are an integral part of the periodical financial statements and to be read therewith.

Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

Periodical statement of other Comprehensive income for the period ended at

In Egyptian Pound	The nine months ended on 30/9/2025	The nine months ended on 30/9/2024	The three months ended on 30/9/2025	The three months ended on 30/9/2024
Net profit for the Preiod	7,784,494,425	11,556,140,603	1,967,426,788	1,351,814,729
Other comprehensive income items				
Total comprehensive income	7,784,494,425	11,556,140,603	1,967,426,788	1,351,814,729

The accompanying notes from (1) to (42) are an integral part of the periodical financial statements and to be read therewith.

Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

periodical Statement of change in equity for the period ended at September 30, 2025

In Egyptian pound	Capital	Legal reserve	General reserves	Retained earnings	Result of merged company	Total
Balance at January 1, 2024	20,791,840,110	734,200,772	352,383,742	13,484,740,108	7,889,562,509	43,252,727,241
Comprehensive Income						
Net profit of the period	-	-	-	11,556,140,603	-	11,556,140,603
Total comprehensive income	-	-	-	11,556,140,603	-	11,556,140,603
Transferred to legal reserve 2023	-	478,114,534	-	(478,114,534)	-	-
Dividends to employees and board of directors	-	-	-	(977,311,348)	-	(977,311,348)
Transactions with the owners of the company						
Dividends to shareholders	-	-	-	(11,955,308,063)	-	(11,955,308,063)
Total transactions with the owners	-	-	-	(11,955,308,063)	-	(11,955,308,063)
Balance at September 30, 2024	20,791,840,110	1,212,315,306	352,383,742	11,630,146,766	7,889,562,509	41,876,248,433
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 of the period	-	-	-	7,784,494,425	-	7,784,494,425
Total comprehensive income		-		7,784,494,425		7,784,494,425
Transferred to legal reserve 2024	-	755,986,968	-	(755,986,968)	-	-
Dividends to employees and board of directors	-	-	-	(1,545,237,364)	-	(1,545,237,364)
Transactions with the owners of the company						-
Capital Increase (Free Shares)	7,889,562,520	-	-	(11)	(7,889,562,509)	-
Dividends to shareholders	-	-	-	(7,277,144,038)	-	(7,277,144,038)
Total transactions with the owners	7,889,562,520	-	-	(7,277,144,049)	(7,889,562,509)	(7,277,144,038)
Balance at September 30, 2025	28,681,402,630	1,968,302,274	352,383,742	13,338,387,575	-	44,340,476,221

.The accompanying notes from (1) to (42) are an integral part of the periodical financial statements and to be read therewith

Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

periodical statement of cash flows For the period ended at

In Egyptian pound	Notes	30/9/2025	30/9/2024
Cash flows from operating activities			
Net profit for the period before tax		**9,594,387,773**	**14,616,076,059**
Adjustment as follows:			
fixed assets depreciation		1,709,943,153	1,660,610,811
Amortization of other assets and right of use assets		25,828,131	13,976,635
Provisions no longer required		(160,216,876)	(10,000,000)
provisions formed		668,304	-
Retirement benefit obligations		3,764,708	-
Capital losses		3,752,475	-
Capital gains		(17,534,400)	-
Adjustment on other Revenues		(2,704,250)	-
(reversal) of expected credit losses		26,297,547	3,280,360
Net finance income		(1,767,806,341)	(1,583,134,508)
unrealized foreign currency translation changes		925,014,025	(4,713,792,301)
		10,341,394,249	**9,987,017,056**
change in:			
change in other financial assets		75,437,796	310,621,380
Inventory		(312,508,981)	(225,542,444)
Account receivable		(379,716,507)	2,925,799
debtors and other debit balances		35,334,432	(246,350,024)
Due from related parties		535,696	-
Suppliers (advance payment)		(55,192,205)	(206,964,986)
Trade payable		136,492,460	(178,855,127)
Creditors and other credit balances		82,384,914	48,378,627
advance payments from customers (lease liability)		862,737,625	474,545,538
Provisions used		(41,362,731)	(201,878,212)
Cash flows (available/ used) from operating activities		**10,745,536,748**	**9 763 897 607**
Dividends paid to Employees and the board of directors		(1,545,237,364)	(977,311,348)
Income taxes paid		(2,983,521,847)	(2,694,610,033)
Paid for employee benefits		(7,042,699)	(2,357,206)
Net Cash flows (available/ used) from operating activities		**6,209,734,838**	**6 089 619 020**
cash flows from investing activities			
Received Interest		1,833,881,965	1,352,665,940
Paid investment in Associate companies		(16,519)	-
payment for the purchase of financial assets through profit or loss		929,722,513	(1,804,325,665)
payment for investment purchase at amortized cost		(9,351,662,540)	(2,773,276,903)
Proceeds for the sale at amortized cost		6,576,237,371	4,466,296,953
Proceeds for the sale fexid asset		17,534,400	-
payment for the purchase of fixed assets, works ,projects under construction and other assets		(4,260,595,686)	(489,507,283)
Net cash flows (available/ used) from investing activities		**(4,254,898,496)**	**751 853 042**
cash flows from Financing activities			
Dividends paid to Shareholders		(7,277,178,843)	(11,955,381,799)
Interest paid		(5,507,241)	(5,910,445)
Payment of lease liabilities		(23,347,819)	(18,072,573)
Net cash flows (available/ used) in financing activities		**(7,306,033,903)**	**(11 979 364 817)**
Net changes in cash and cash equivalents		**(5,351,197,561)**	**(5 137 892 755)**
The effect of changes in exchange rates on cash and cash equivalents		(155,115,091)	1,431,932,067
Formed /(reversal) of expected credit losses on cash		11,518,451	-
Cash and cash equivalent at the beginning of the year		6,679,913,892	7,814,757,372
Cash and cash equivalent at the end of the period	(14)	**1,185,119,691**	**4 108 796 684**

The accompanying notes from (1) to (42) are an integral part of the periodical financial statements and to be read therewith.

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
THE NOTES OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED September 30, 2025

1- Company's background

1-1 Legal entity

- Misr Fertilizers Production Company "MOPCO" - S. A. E. (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.

- 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 13 November 2025

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.

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.

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.

3- Fixed assets (net)

Description	Land	Building & constructions	Machinery and equipment	Vehicles	Tools	Furniture & Fixtures	Computers	Projects under construction	Total
In Egyptian pound									
Cost									
Cost at 1 January 2024	262,021,195	437,619,132	51,364,368,297	103,156,262	88,853,389	36,559,119	126,956,644	201,393,536	52,620,927,574
Additions	-	-	125,206,429	42,147,611	4,382,793	5,335,888	7,778,358	1,064,082,121	1,248,933,200
Transferred from projects under construction	-	62,927,639	95,724,433	-	3,083,610	6,491,614	717,595	(168,944,891)	-
Disposal	-	(2,166,332)	-	(1,723,250)	-	(478,962)	-	(3,909,624)	(8,278,168)
Cost at 31 December 2024	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	-	-	85,432,993	7,542,346	13,672,549	11,944,187	28,123,497	4,459,942,124	4,606,657,696
Transferred from projects under construction	-	37,070,264	289,026,675	-	6,123,616	1,433,923	4,448,743	(338,103,221)	-
Disposal	-	(1,356,168)	(16,243,550)	(1,373,378)	-	(175,092)	-	-	(19,148,188)
Cost at 30 Sep 2025	262,021,195	534,094,535	51,943,515,277	149,749,591	116,115,957	61,110,677	168,024,837	5,214,460,045	58,449,092,114
Accumulated depreciation									
Accumulated depreciation 1 January 2024	-	106,565,408	16,684,045,557	68,615,627	43,677,736	19,405,648	92,183,971	-	17,014,493,947
Depreciation of the year	-	26,316,310	2,141,769,535	20,734,577	10,242,387	3,513,999	16,677,305	-	2,219,254,113
Disposal	-	(1,970,239)	-	(1,723,250)	-	(478,962)	-	-	(4,172,451)
Accumulated depreciation as at 31 December 2024	-	130,911,479	18,825,815,092	87,626,954	53,920,123	22,440,685	108,861,276	-	19,229,575,609
Depreciation of the period	-	23,183,650	1,646,645,267	15,140,355	8,873,390	3,704,389	12,396,102	-	1,709,943,153
Disposal	-	(1,356,168)	(13,164,399)	(700,054)	-	(175,092)	-	-	(15,395,713)
Accumulated depreciation as at 30 Sep 2025	-	152,738,961	20,459,295,960	102,067,255	62,793,513	25,969,982	121,257,378	-	20,924,123,049
Net fixed assets at 1 January 2024	262,021,195	331,053,724	34,680,322,740	34,540,635	45,175,653	17,153,471	34,772,673	201,393,536	35,606,433,627
Net fixed assets at 31 December 2024	262,021,195	367,468,960	32,759,484,067	55,953,669	42,399,669	25,466,974	26,591,321	1,092,621,142	34,632,006,997
Net fixed assets at 30 Sep 2025	262,021,195	381,355,574	31,484,219,317	47,682,336	53,322,444	35,140,695	46,767,459	5,214,460,045	37,524,969,065
Fully depreciated assets still working									327,136,806

- **Projects under construction within fixed assets are represented as follows:**
In Egyptian pound

	30/9/2025	31/12/2024
Building and roads	313 500	5 271 579
Machine and equipment	573 699 779	257 162 891
Computers	9 855 422	3 020 815
Furniture and furnishings	4 791 701	-
Advance payment	4 346 455 088	587 657 335
Feasibility studies	8 313 793	8 313 793
Letters of credit	271 030 762	231 194 729
Total	**5 214 460 045**	**1 092 621 142**

4- Other assets & projects under construction

In Egyptian Pound	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 1/1/2024	**5 000 000**	**15 627 372**	**8 957 122**	**43 501 542**	**73 086 036**
Additions during the period	-	-	-	27 053 362	27 053 362
Disposals during the period	-	-	-	(1 197 000)	(1 197 000)
transfer from projects under construction	-	-	58 500 486	(58 500 486)	-
Cost as at 31/12/2024	**5 000 000**	**15 627 372**	**67 457 608**	**10 857 418**	**98 942 398**
Additions during the period	-	-	1 052 417	15 728 032	16 780 449
transfer from projects under construction	-	-	24 739 238	(24 739 238)	-
Cost as at 30/09/2025	**5 000 000**	**15 627 372**	**93 249 263**	**1 846 212**	**115 722 847**
Accumulated amortization					
Accumulated amortization as at 1/1/2024	5 000 000	13 877 341	8 957 122	-	27 834 463
Amortization during the period	-	1 072 037	1 820 823	-	2 892 860
Accumulated amortization as at 31/12/2024	**5 000 000**	**14 949 378**	**10 777 945**	-	**30 727 323**
Amortization during the period	-	677 994	13 144 414	-	13 822 408
Accumulated amortization as at 30/09/2025	**5 000 000**	**15 627 372**	**23 922 359**	-	**44 549 731**
Net book value					
Net book value as at 1/1/2024	-	**1 750 031**	-	**43 501 542**	**45 251 573**
Net book value as at 31/12/2024	-	**677 994**	**56 679 663**	**10 857 418**	**68 215 075**
Net book value as at 30/09/2025	-	-	**69 326 904**	**1 846 212**	**71 173 116**
Amortized assets and still in use	-	-	-	-	29 584 494

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

In Egyptian pound

	30/09/2025	31/12/2024
Licenses and software	1 846 212	10 857 418
Total	**1 846 212**	**10 857 418**

5- Right-of-use assets

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

In Egyptian Pound

Cost	**30/09/2025**	**31/12/2024**
Balance at 1/1/2025	152 072 489	152 072 489
Additions during the period	-	-
Cost as at 30/09/2025	**152 072 489**	**152 072 489**
Accumulated amortization		
Accumulated amortization as at 1/1/2025	64 030 522	48 022 891
Amortization expense during the period	12 005 723	16 007 631
Accumulated amortization as at 30/09/2025	**76 036 245**	**64 030 522**
Net book value as at 30/09/2025	**76 036 244**	**88 041 967**

6- Investment in associates using equity method:

	30/9/2025	**31/12/2024**
investments	**2 424 170**	**2 407 651**
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 capital amounting to 1 000 000 US dollars in which the Company contributes 25% in it together with the Egyptian Petrochemicals Holding Company and Scatec Norwegian company.
- The value of investments in the company on September 30, 2025 amounted to 2,424,170 EGP 25% of the issued capital.
- The company purpose is to produce green ammonia.
- The project is located in the public free zone in New Damietta.
- On June 29, 2024, a non-binding memorandum of understanding was signed regarding the principles of the agreement to purchase green ammonia between the Yara Norwegian company and the Damietta Green

Ammonia Company in the city of Damietta, in which both the Egyptian Petrochemical Holding Company "ECHEM", which owns 31.47% of the capital, MOPCO and the Misr Company, contributed. for the production of fertilizers "MOPCO" and the Norwegian company Scatec, in the presence of Mr. Engineer / Prime Minister, Mr. Engineer, Minister of Petroleum and Mineral Resources, Mr. Dr. / Minister of Electricity and Renewable Energy, Mrs. Dr. Minister of Planning and Economic Development, Mrs. Dr. / Minister of International Cooperation, and Mr. Engineer / Chairman of the Board of Directors of the Egyptian Petrochemical Company. "Echem" and Mr. Engineer/Chairman of the Board of Directors of the Misr Fertilizer Production Company "MOPCO" .

- This agreement reflects confidence in the project and the investment climate in Egypt, The initial investment cost of the project amounts 890 million US dollars with a production capacity up to 150 thousand tons of green ammonia annually through the generation of renewable energy with a total capacity up to 480 megawatts. The project aims to produce green ammonia using the production capacities available at the Misr Fertilizers Production Company (Mopco). Operation is expected to start in 2027. The project comes within the framework of implementing the country's policy of using renewable energy sources and reducing carbon emissions.

7- Investment at amortized cost

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

In Egyptian Pound	**30/09/2025**	**31/12/2024**
Government Bonds at par value	10 823 986 181	6 120 135 208
Unearned returns (amortized cost)	(118 115 377)	(373 896 732)
Unearned returns (amortized cost)	**10 705 870 804**	**5 746 238 476**
Expected credit losses (Note 32)	(342 052 572)	(183 592 320)
Net book value	**10 363 818 232**	**5 562 646 156**

- Represented in securities and deposits with maturity dates exceeding 12 months from the date of the financial position, and includes investments held till maturity for the purpose of collecting cash flows from interest and the principal at maturity.

non-current :

	2025		**2024**	
due date	**Number of Documents**	**at par value**	**Number of Documents**	**at par value**
2026	-	-	34 520	1 755 045 128
2027	-	-	15 607	793 481 730
2028	15 000	717 606 000	14 000	711 779 600
2029	74 700	3 573 677 880	41 250	2 097 207 750
2030	40 650	1 944 712 260	15 000	762 621 000
2032	15 000	717 606 000	-	-
2033	80 902	3 870 384 041	-	-
	226 252	**10 823 986 181**	120 377	6 120 135 208

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

In Egyptian pound	30/09/2025	31/12/2024
Government bonds at par value	745 353 432	4 086 885 939
Unearned returns (amortized cost)	(23 047 659)	(133 353 388)
	722 305 773	**3 953 532 551**
Expected credit losses (32)	(23 077 669)	(126 315 365)
Net book value	**699 228 104**	**3 827 217 186**

- Represented in securities and deposits with maturity dates exceeding 91 days from the date of the financial position, and includes investments held till maturity for the purpose of collecting cash flows from interest and the principal at maturity.

	2025		2024	
due date	**Number of Documents**	**at par value**	**Number of Documents**	**at par value**
2025	-	-	80 385	4 086 885 939
2026	15 580	745 353 432	-	-
	15 580	**745 353 432**	**80 385**	**4 086 885 939**

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

	30/09/2025	31/12/2024
Cost as at Beginning balance	2 869 467 104	620 378 810
Additions	9 186 269 281	9 343 252 804
Discounts	(10 735 549 298)	(7 539 245 609)
Balance before evaluation	**1 320 187 087**	**2 424 386 005**
Fair value at the date of the financial position	1 939 744 591	2 869 467 104
Change in fair value up to the financial statements date	**619 557 504**	**445 081 099**

These are investments for the purpose of trading in the short term and achieving quick profits. The fair value is determined through an active market, and changes in the fair value associated with these assets are monitored regularly to reduce the impact of the market, liquidity and credit. The goal is to achieve higher returns while maintaining investments with high liquidity sufficient to meet cash requirements and needs as well as diversification in investments.

9- Other financial assets

In Egyptian pound	**Note no.**	**30/09/2025**	**31/12/2024**
Letters of guarantee *		20 000	75 457 796
Pledged Deposits **		1 028 568 600	1 093 090 100
		1 028 588 600	**1 168 547 896**
Expected credit losses	(32)	(32 863 406)	(37 335 105)
		995 725 194	**1 131 212 791**

*Letters of guarantee are fully covered amount according to long-term contracts terms with authorities and parties (a letter of guarantee in favor of the publhc free zone in Damietta in return for securing the factory land rent in the amount of 20000 Egyption pounds)

** Letter of credit cover secured by the Mortgaged deposit in the amount of 21 500 000 US dollars in return for Letter of credit .

10- Inventory

In Egyptian pound	**30/09/2025**	**31/12/2024**
Spare parts	1 080 952 463	865 646 809
Finished goods at cost	515 589 449	378 850 454
Work in process at cost	114 042 953	99 983 724
Supplies	119 109 070	114 576 493
Letter of credit	93 045 702	189 615 917
Raw material	84 020 843	55 050 644
Oils and fuels	19 699 886	10 213 344
Stock held by others	-	14 000
Net Book Value	**2 026 460 366**	**1 713 951 385**

11- Accounts receivable

In Egyptian pound	**Note no.**	**30/09/2025**	**31/12/2024**
Accounts receivable		934 019 091	554 302 584
Expected credit losses	(32)	(22 008 335)	(13 153 766)
		912 010 756	**541 148 818**

12- Debtors and other debit balances

In Egyptian pound	Note no.	30/09/2025	31/12/2024
Accrued credit interest		130 271 046	162 729 702
Employees' advances and Installments		192 248 661	217 431 987
Deposits with others		15 356 252	15 343 905
Other debtors		32 159 592	11 266 990
Prepaid expenses		32 296 749	31 365 510
Tax Authority "sales"		157 996 800	287 402 877
Tax Authority " income tax "		97 418 782	-
Advance payments to the tax authority		13 187 840	13 282 571
debit balances to employees *		634 385 679	129 443 100
		1 305 321 401	**868 266 642**
Expected credit losses	(32)	(1 545 802)	(22 448 780)
		1 303 775 599	**845 817 862**

*.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.

13- Transactions with related party

A- Related parties represent:

– Egyptian Petrochemicals Holding Company "ECHEM"	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	Affiliate company by 1.15 %
– Suez Methanol Derivatives Company	A demerged company

B- Related parties' transactions

The following is a summary of transactions with related parties:

Description	Nature of transactions	The financial year ended in	
	In EGP	30/09/2025	30/09/2024
Misr Insurance Company	Insurance services	47 516 357	54 768 285
Egyptian Natural Gas Holding CO." EGAS"	Gas Supplier	3 666 145 330	3 220 880 696
Egyptian Natural Gas CO." GASCO"	Gas Supplier	2 214 900 608	1 457 553 928
Suez Methanol Derivatives Company	Services rendered / Payments on behalf of the company.	272 001	832 104

* Related parties are dealt with at market value at the time of the transaction

C- The following balances resulted from the above transactions:

Due from related parties In Egyptian pound	Note no.	30/09/2025	31/12/2024
Suez Methanol Derivatives Company		394 727	886 134
Egyptian Petrochemicals Holding Co ." ECHEM"		-	44 288
		394 727	**930 422**
Expected credit losses	(32)	(1 098)	(887 549)
		393 629	**42 873**

14- Cash at banks and on hand

In Egyptian pound	Note no.	30/09/2025	31/12/2024
Banks current accounts		422 120 571	360 332 555
Time Deposits		765 446 400	6 333 547 068
		1 187 566 971	**6 693 879 623**
Expected credit losses	(32)	(2 447 280)	(13 965 731)
		1 185 119 691	**6 679 913 892**

15- Current income tax

In Egyptian pound	30/09/2025	31/12/2024
Current income tax	2 731 213 014	2 988 870 280
Withdraw on account of tax	(67 661 581)	(75 602 974)
Balance	**2 663 851 433**	**2 913 267 306**

16- Lease liabilities

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

In Egyptian pound	30/09/2025	31/12/2024
beginning balance	191 575 804	148 476 868
Disposal (land area reduction)	-	(13 601 484)
Interest during the period	5 507 242	7 271 719
Foreign currency translation	(10 140 982)	82 638 010
Payments during the period	(28 855 060)	(33 209 309)
	158 087 004	**191 575 804**
Non-Current lease liability	127 395 343	165 150 556
current lease liability	30 691 661	26 425 248
	158 087 004	**191 575 804**

17- Trade Payables

In Egyptian pound	30/09/2025	31/12/2024
*Egyptian Natural Gas Holding CO." EGAS"	209 307 482	162 229 559
*Gas supplier (GASCO)	103 830 574	54 944 918
Other suppliers	221 016 317	180 487 436
	534 154 373	**397 661 913**

- 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

In Egyptian pound	30/09/2025	31/12/2024
Deposits from others	30 296 821	24 268 425
General Authority for Health Insurance	51 320 619	78 676 971
Value added tax	32 947 712	40 528 638
Due to the minor shareholders from shares selling auction	6 895 380	6 899 046
Shareholder dividends payable	873 220	3 612 275
Due to the Petroleum Authority	114 659 411	-
Other credit balances	31 931 996	9 018 160
Credit balances to other companies	51 491 136	46 994 027
Payroll tax	38 426 970	29 951 111
Accrued social insurance	4 691 035	4 071 363
Accrued expenses	7 380 510	52 578 704
Withholding tax	6 084 167	3 474 324
Credit balances to employees *	634 385 679	129 443 100
	1 011 384 656	**429 516 144**

*_As explained in Explanation "12"

19- Provisions

	30/09/2025	31/12/2024
beginning balance	255 256 008	281 602 367
Provisions formed during the period	668 304	194 831 582
Provisions used during the period	(41 362 731)	(201 878 213)
Provisions that have no purpose during the period	(160 216 876)	(19 299 728)
	54 344 705	**255 256 008**

*Information related to provisions were not disclosed, which usually is disclosed according to Egyptian accounting standards No. 28; because the company's management believes that such disclosure will impact the negotiation results 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 which dated 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 September 30, 2025 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.
- 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 twenty Egyptian pounds), which was distributed over 2,868,140,263 shares at a nominal value of EGP 10 per share. This was financing from the result of merging process shown in the financial statements for the fiscal year ending December 31, 2024, amounting to EGP 7,889,562,509, and EGP 11 from retained earnings, bringing the total to EGP 7,889,562,520 in the form of bonus shares. This was registered in the company's commercial register on June 29, 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%	902 688 490	9 026 884 900
The Saudi Egyptian Investment Company	24.04%	689 402 597	6 894 025 970
Abu Dhabi Investment Holding Company (Alfa Oryx Limited)	20.00%	573 628 047	5 736 280 470
Egyptian Natural Gas Holding Co. "EGAS"	9.89%	283 695 209	2 836 952 090
The Arab Petroleum Investments Corp. "APICORP"	3.03%	87 005 181	870 051 810
IPO	11.57%	331 720 739	3 317 207 390
	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 the decision of the head of The General Authority for Investment and Free Zones no. 65 S for year 2013, 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

In Egyptian pound	**30/09/2025**	**31/12/2024**
Fixed assets and other	6 344 826 726	6 516 430 997
Foreign currency exchange differences	729 826 955	1 499 577 289
Employee benefits provision	(133 478 603)	(120 249 010)
Other Provisions	(2 820 544)	(39 109 064)
Provision for Expected credit losses	(95 399 136)	(89 482 188)
	6 842 955 398	**7 767 168 024**

22- Employee benefits obligation:
22-1 Plan description:

The company applies a defined benefits plan that is not funded at present value, and the amounts paid upon the end of employees' services are calculated in accordance with the plan on the basis of what the company actually bears in terms of treatment for retirements employees.

EGP	**30/09/2025**	**31/12/2024**
Benefits of treatment for retired workers and their families		
Balance at the beginning balance	472 141 015	310 749 053
Current service cost	-	41 795 311
Interest expense	51 557 799	45 137 572
Actuarial Gain Or Loss	-	79 334 195
Payments	(5 749 842)	(4 875 116)
	517 948 972	**472 141 015**
End of Service Bonus Benefits		
Balance at the beginning balance	62 299 032	-
Current service cost	3 764 708	65 074 426
Interest expense	10 515 064	-
Payments	(1 289 542)	(2 775 394)
	75 289 262	**62 299 032**
	593 238 234	**534 440 047**
Employee benefits obligation (current)	61 862 066	3 063 879
Employee benefits obligation (non-current)	531 376 168	531 376 168
	593 238 234	**534 440 047**

22-2 Amounts recognized in profit or loss statement:

EGP	30/09/2025	30/09/2024
Current service cost and end-of-service bonus	3 764 708	-
Interest expense	62 072 863	33 906 924
	65 837 571	**33 906 924**

-Actuarial assumptions:

EGP	30/09/2025	31/12/2024
Discount rate	14.56%	14.56%
Inflation rate	15.7%	15.7%
Benefits increase rate	13%	13%

-The expected benefits through the next years:

The first year	4 704 645
The second year	6 304 800
The third year	8 480 376
The next five years	87 793 627

-Sensitivity analysis of actuarial assumptions:

	Change in assumptions		Change in Liabilities	
	Increase	Decrease	Increase	Decrease
Discount rate	%1	%1	(77 708 121)	100 629 639
Discount rate	%1	%1	55 178 413	(46 865 549)

Actuarial Assumptions End of Service Benefit Plan:

	30/09/2025	31/12/2024
Discount rate	22.98%	22.98%
Inflation rate	25.1%	25.1%
Benefits increase rate	20%	20%

-The expected benefits through the next five years:

The first year	2,718,637
The second year	3,589,327
The third year	2,987,105
The fourth year	5,882,364
The fifth year	7,814,301
The next five years	69,476,584

Sensitivity analysis of actuarial assumptions:

	Change in assumptions		Change in Liabilities	
	Increase	Decrease	Increase	Decrease
Discount rate	%0.05	%0.05	(58 771 544)	66 145 286
Discount rate	%0.05	%0.05	62 299 032	(62 299 032)

23- Net Sales

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended on 30/09/2025	The three months Ended on 30/09/2024
Export Sales	15 004 416 651	9 883 324 611	4 048 181 285	2 027 610 176
Domestic Sales	3 591 250 533	3 201 627 535	1 210 316 433	1 124 503 018
	18 595 667 184	**13 084 952 146**	**5 258 497 718**	**3 152 113 194**

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.

	30/09/2025 In Egyptian pound			30/09/2024 In Egyptian pound		
	Export	**Domestic**	**Total**	**Export**	**Domestic**	**Total**
Urea	13 994 407 222	2 441 057 256	**16 435 464 478**	9 064 905 016	2 434 281 462	**11 499 186 478**
Ammonia	1 010 009 429	1 149 917 932	**2 159 927 361**	818 419 595	767 346 073	**1 585 765 668**
other	-	275 345	**275 345**	-	-	-
	15 004 416 651	**3 951 250 533**	**18 595 667 184**	**9 883 324 611**	**3 201 627 535**	**13 084 952 146**

24- Cost of Sales

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months Ended on 30/09/2025	The three months Ended on 30/09/2024
Gas	5 881 045 937	4 678 434 625	1 928 469 025	1 308 994 922
Other materials *	707 647 633	487 594 146	212 183 301	161 794 714
Salaries and wages	586 368 840	473 104 955	220 258 942	184 309 569
Depreciation and amortization	1 647 245 660	1 602 308 797	550 054 139	539 773 654
cost of pension obligations	2 472 830	-	824 277	-
Other industrial expenses	455 599 118	336 096 457	157 957 943	133 798 970
Change in Finished Goods and Work In Process inventory	(150 798 224)	2 626 287	(414 850 391)	(76 595 710)
	9 129 581 794	**7 580 165 267**	**2 654 897 236**	**2 252 076 119**

25- Other income

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months Ended on 30/09/2025	The three months Ended on 30/09/2024
Supplier and customer Gratuities	80 172 590	47 181 224	32 910 960	28 593 986
Scrap metal sales	409 575	76 602 619	84 281	76 591 951
Other revenue	2 830 096	134 170	2 819 430	69 946
Provision no longer required	160 216 876	10 000 000	-	-
	243 629 137	**133 918 013**	**35 814 671**	**105 255 883**

26- Selling and marketing expenses

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months Ended on 30/09/2025	The three months Ended on 30/09/2024
Packaging materials	168 294 009	199 240 927	56 428 180	47 621 733
Salaries and wages	62 509 519	49 084 412	24 399 874	19 988 148
Depreciation	46 505 620	43 648 771	15 502 675	12 645 826
Products shipping and transportation expenses	75 891 372	61 816 154	21 064 626	11 816 449
cost of pension obligations	261 883	-	87 294	-
Other Selling and marketing expenses	21 142 108	17 209 872	4 383 134	3 517 802
	374 604 511	**371 000 136**	**121 865 783**	**94 589 958**

27- General and administrative expenses

In Egyptian pound

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months Ended on 30/09/2025	The three months Ended on 30/09/2024
Administrative salaries and wages	230 046 154	196 627 514	85 027 730	77 073 840
Contribution to comprehensive health insurance	51 320 620	58 135 883	14 773 603	10 017 367
Administrative depreciation	42 020 006	28 629 879	15 940 063	9 893 346
Attendance allowances for BOD	2 340 000	1 648 500	692 000	649 000
cost of pension obligations	1 029 996	-	343 332	-
Other General and administrative expenses	120 649 251	128 140 372	40 676 042	32 652 152
	447 406 027	**413 182 148**	**157 452 770**	**130 285 705**

28- Capital gains/losses

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended on 30/09/2025	The three months Ended on 30/09/2024
Gain on sale of fixed assets	17 534 400	-	15 939 000	-
Loss on disposal of fixed assets	(3 752 475)	-	-	-
	13 781 925	**-**	**15 939 000**	**-**

29- Other Expenses

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended on 30/09/2025	The three months Ended on 30/09/2024
Donation	16 619 643	29 046 740	8 534 810	6 321 691
Provisions	668 304	-	668 304	-
	17 287 947	**29 046 740**	**9 203 114**	**6 321 691**

30- Finance cost:

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended on 30/09/2025	The three months Ended on 30/09/2024
Lease liability interest	5 507 241	5 910 445	1 725 866	2 175 019
Employee benefits obligation interest	62 072 863	33 906 924	20 690 955	11 284 393
	67 580 104	**39 817 369**	**22 416 821**	**13 459 412**

31- Finance income:

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended on 30/09/2025	The three months Ended on 30/09/2024
Revenue from financial assets at amortized cost "Treasury bills"	12 964 800	86 142 438	12 964 800	-
Revenue from financial assets at amortized cost "Government bonds"	961 579 347	787 890 106	275 523 596	190 363 617
Revenue from financial assets at Fair value through profit or loss "investment funds"	619 557 504	295 317 055	238 250 261	132 359 976
Other credit interest	241 284 794	453 602 278	74 607 508	149 788 174
	1 835 386 445	**1 622 951 877**	**601 346 165**	**472 511 767**

32- Expected credit losses

In Egyptian pound	Note no.	01/01/2025	Formed	Reversed	30/09/2025
Cash and cash equivalent	(14)	13 965 731	-	(11 518 451)	2 447 280
Financial investments at amortized cost	(7)	309 907 685	55 222 557	-	365 130 242
Accounts receivable	(11)	13 153 766	8 854 569	-	22 008 335
Related parties	(13)	887 549	-	(886 451)	1 098
Debtors and other debit balances	(12)	22 448 780	-	(20 902 978)	1 545 802
Other financial assets	(9)	37 335 105	-	(4 471 699)	32 863 406
		397 698 616	**64 077 126**	**(37 779 579)**	**423 996 163**

- The expected credit losses of financial assets on September 30, 2025 were studied by the company according to the following:
- The simplified approach was used to measure the credit risk of customer facilities by dividing customers into categories with similar characteristics and determining the historical period used to calculate the loss rate and determining the loss rate according to historical data, taking into account the expected changes in macroeconomic indicators (growth rate, inflation rate, unemployment rate) and then calculating the expected credit losses by multiplying (loss rate x balance exposed to loss x probability of default).
- The general approach was used to calculate expected credit losses related to the company's investments in financial assets at amortized cost, current balances in banks, deposits and other financial assets using external classifications from institutions included in the Central Bank's instructions for credit risk management. Future data was also used to determine whether there was a significant increase in credit risks for financial assets using some macroeconomic indicators (GDP growth rate, annual inflation rate, unemployment rate) under the assumption of three scenarios (basic, best, worst) in line with the requirements of Egyptian Accounting Standard No. (47).
- The loss rate for government debt instruments and deposits for a period of one month or less in Egyptian pounds was considered zero according to the Prime Minister's decision in this regard.
- The Egyptian classification was used with a loss rate at exposure to failure of 45% when measuring expected credit losses.

33- Income tax

In Egyptian pound **Current income tax**	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended 30/09/2025	The three months Ended on 30/09/2024
Current income tax.	2 731 513 014	2 461 055 553	1 152 200 667	1 094 456 421
Independent tax base	2 592 960	17 228 488	2 592 960	-
Tax Return Differences	-	65 280	-	-
Current income tax	**2 734 105 974**	**2 478 349 321**	**1 154 793 627**	**1 094 456 421**
Deferred income tax				
Fixed and other assets	(171 604 271)	(137 137 370)	(58 417 240)	(43 875 752)
Foreign currency exchange differences	(769 750 334)	771 841 170	(679 136 341)	(775 593 725)
Provision for employee benefits liability	(13 229 593)	(7 098 589)	(4 283 271)	(2 303 756)
Other Provisions	36 288 520	2 766 089	-	-
Provision for Expected credit losses	(5 916 948)	(50 008 859)	3 891 805	33 179 256
Lease liability	-	1 223 694	-	-
Deferred income tax	**(924 212 626)**	**581 586 135**	**(737 945 047)**	**(788 593 979)**
Income tax	**1 809 893 348**	**3 059 935 456**	**416 848 580**	**305 862 442**

Adjustments to calculate income tax effective tax rate:

	30/09/2025	30/09/2024
Profit before income tax	**9 594 387 774**	**14 616 076 059**
Income tax as per tax law "22.5%"	**2 158 737 249**	**3 288 617 113**
Non-deductible expenses	9 828 970	34 422 003
Revenue exempted from tax	(358 672 871)	(263 103 660)
income tax	**1 809 893 348**	**3 059 935 456**
Effective tax rate	**18.87%**	**20.94%**

34- Basic and diluted earnings Per Share

In Egyptian pound	The nine months Ended on 30/09/2025	The nine months Ended on 30/09/2024	The three months ended on 30/09/2025	The three months Ended on 30/09/2024
Net profit for the period	7 784 494 425	11 556 140 603	1 967 426 788	1 351 814 729
Weighted average no. of shares	2 868 140 263	2 868 140 263	2 868 140 263	2 868 140 263
	2.71	**4.03**	**0.69**	**0.47**

The Ordinary General Assembly, held on April 12, 2025, approved the company's dividend distribution for the financial year ending December 31, 2024, as follows:

* Shareholders' dividends of EGP 3.5 per share. Total income: EGP 7,277,144,039.
* Employees' distribution: EGP 1,511,973,937.
* Board of Directors' remuneration: EGP 33,263,427.

35- 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 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	**30/09/2025**	**31/12/2024**
Time deposits	765 446 400	6 333 547 068
Financial assets at amortized cost (non-current)	10 363 818 232	5 562 646 156
Financial assets at amortized cost (current)	699 228 104	3 827 217 186
Financial assets at fair value through profit or loss	1 939 744 591	2 869 467 104
	13 768 237 327	**18 592 877 514**

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:

Financial assets	Foreign currencies	Equivalent in Egyptian pound
USD	286 593 337	13 710 739 892
EURO	922 747	51 813 338

Financial liability	Foreign currencies	Equivalent in Egyptian pound
USD	27 021 710	1 292 729 410
EURO	63 528	3 567 155

Below are the major foreign exchange rates

	Closing rate		Average rate	
In Egyptian pound	**30/09/2025**	**31/12/2024**	**30/09/2025**	**30/09/2024**
USD	47.8404	50.8414	49.9607	42.2692
EURO	56.1512	52.6224	55.1701	45.8102
Sterling pound	64.3262	63.6433	65.2647	53.8186

Response analysis :

The decline in the value of the Egyptian pound against other currencies on foreign currency balances on September 30, 2025 may lead to a decrease in shareholders' equity and profit and 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:

the currency	at September 30, 2025
Dollar	1 241 801 048
Euro	4 824 618

36- Important and subsequent events

- In light of a volatile global and local economic environment, compounded by increasing geopolitical risks, the Central Bank of Egypt took a series of measures during 2022, 2023, and early 2024 to mitigate the impact of these factors on the Egyptian economy. These measures included adjusting the exchange rate of the Egyptian pound against foreign currencies, followed by a currency float in March 2024, according to market mechanisms, which led to a depreciation of the pound. Additionally, interest rates on overnight deposits and lending were raised repeatedly, peaking with a 600 basis points increase in March 2024, bringing the rates to 27.25% and 28.25%, respectively, as part of an expanded loan agreement with the International Monetary Fund (IMF). Cash withdrawal and deposit restrictions were also imposed in banks. Restrictions have also been imposed on cash withdrawals and deposits in banks. In the last meeting of the Monetary Policy Committee at the Central Bank on July 10, 2025, it kept the overnight deposit and lending rates unchanged at 24% and 25% respectively, and decided to maintain the credit and discount rates at 24.5% and 25.5%.

– These measures have slowed foreign currency trading through official banking channels, resulting in delays in settling some international financial obligations and increasing the cost of obtaining and settling foreign currency. The continuation of these conditions, and the associated risks, represent a factor of uncertainty that could affect the company's financial performance and its financial and operational obligations in foreign currencies. Although inflation has slowed to 25.7% in July 2024, after peaking at 38% in September 2023, persistent inflationary pressures pose an additional challenge.

- For the financial statements ending September 30, 2025, no direct impacts from these developments have been identified. However, given the volatile nature of the economic situation, there is a possibility that these developments could impact the financial statements for future periods. Determining the magnitude and timing of this potential impact presents a challenge for the company's management under these circumstances. The company's management is working diligently to evaluate all potential impacts on future financial statements, taking into account developments in exchange rates, interest rates, and inflation.

- On October 17, 2024, the Central Bank of Egypt kept interest rates unchanged, citing a slowdown in inflation for the sixth consecutive month. This decision reinforces the importance of continuous monitoring of economic developments and their impact on the company's performance. The company's management is currently assessing the potential impact on future financial statements

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.

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.	30/09/2025	31/12/2024
Financial assets at amortized cost	(7)	11 063 046 336	9 389 863 342
Financial assets at fair value through profit or loss	(8)	1 939 744 591	2 869 467 104
Other financial assets	(9)	995 725 194	1 131 212 791
Accounts receivable	(11)	912 010 756	541 148 818
Related Parties	(13-c)	393 629	42 873
debtors and other debit balances	(12)	1 303 775 599	845 817 862
Cash at banks and on hand	(14)	1 185 119 691	6 679 913 892
		17 399 815 796	**21 457 466 682**

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.

37- 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 September 30, 2025 amounted to 21 million US dollars, amounted to 2 million EURO 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.

38- 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 September 30, 2025. The following table shows these significant contracts:

in Million	**Total contract value as at 30/09/2025**	**Completed contracts as at 30/09/2025**	**Incomplete contracts as at 30/09/2025**
Contracts in Egyptian pound	1 987	854	1 133
Contracts in USD	9	5	4
Contracts in EURO	187	84	103

39- 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 205/022/790 and accounted for through the center of key taxpayers.

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 2023

The company's tax return was submitted in accordance with the provisions of Law No. 91 of 2005 and its amendments within the due dates and the tax was paid.

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 30/6/2025:

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 30/9/2025

- The company is paying the tax.

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 30/9/2025:

- 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.
- 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 in 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.

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

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

The company was inspected and the tax was paid.

D- Stamp tax

From beginning of activity to 2023

The company was inspected and the tax was paid.

40- Disputes

40-1 The New Urban Communities Authority and the New Damietta Development and Reconstruction Authority filed Case No. 1486 of 2012, Kafr Saad against each of the Egyptian Petrochemical Holding Company (ECHEM) as a first defendant and the Company as a second defendant, in which the plaintiffs demanded that the second defendant (the company) be required to pay a value for the right of use of a land area of 608,324 square meters east of the navigational canal, which belongs to the subsidiary company "The Egyptian Company for Nitrogen Products ENPC" at an amount of 157 million pounds, in addition to interest and compensation. , which is contrary to the applicable law (6 pounds / meter / year). The company's management believes that the Urban Communities Authority is not entitled to claim these values.

On 1/2/2015, the company signed a memorandum of understanding with the Ministry of Defense according to which the following was agreed upon:

- The company agrees to end the existing dispute with the New Urban Communities Authority with the authority receiving the plot of land and paying the subsidiary the rent due on it.

- The Ministry of Transport / Damietta Port Authority provides an alternative site for the dock land with a guarantee from the competent authorities to renew all necessary approvals and licenses from the concerned authorities for the new site and renew the license of the Prime Minister No. (555) for the year 2007 for the new site as well as providing a suitable space behind the dock for storage and to provide a service corridor between the dock and the factory.

- Compensating the subsidiary for a piece of land it owns by giving it an alternative piece of land.

- Compensating the subsidiary for the losses and costs it incurred because of evacuating the sites.

A ruling was issued obligating the company to pay the amount of thirty-eight million and seven thousand pounds, and the ruling was appealed.

MOPCO and the Egyptian Company for Nitrogen Products appealed the ruling before the Court of Appeal, which decided to reject the two appeals and uphold the appealed ruling without prejudice to the company's right to appeal within the legal period against the ruling before the Court of Cassation within the legal deadlines.

In January 2022, the company settled and appealed in cassation, which does not stop the execution of the ruling and did not set a session to consider the appeal to date.

40-2 The company received a claim from Petrotrade in the amount of 4 million pounds 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.

40-3 On 16/12/2019, the company filed suit No. 53592 for the year 75 against both - the Minister of Investment - the head of the General Authority for Investment and Free Zones - the head of the central management of the public free zone in Damietta before the Administrative Court, in order to cancel the decision of the Board of Directors of the General Authority for Investment to increase In exchange for the right of use of the factory land in the free zone in Damietta from $1.75/m2 annually to $5/m2 annually, and the requirement to fix the right of use consideration throughout the project license period (25 years) starting from 2005 and ending in 2030 according to the contract concluded between the two parties.

The court decided to accept the lawsuit in form and in the matter, acquitting the company of the amount claimed by the General Authority for Investment and Free Zones and obligating the defendant to pay the expenses.

The General Investment Authority has appealed the ruling, and a hearing has not yet been set for the ruling.

- The Council of Ministers issued a decision on 10/12/2023 obliging the General Authority for Investment and Free Zones to fix the annual rental value of the price per square meter at $ 1.75.

40-4 Pursuant to a sale and assignment contract dated March 26, 2007, the Egyptian Nitrogen Products Company, owned by Mopco, a subsidiary of the petroleum sector, purchased a plot of land with an area of 150 thousand square meters located in the Al-Rehab Industrial Zone in New Damietta City from the Al-Rehab Saudi Egyptian Company for Investment and Real Estate Development to be used in establishing storage facilities for the company's fertilizer complex products that were planned to be established at that time. Al-Rehab Company was notified by letter from the Commercial and Real Estate Affairs Sector No. 1191 dated February 18, 2007 of the approval of the competent authority in the New Urban Communities Authority for the company's request to sell the land area for a total amount of 4,500,000 US dollars (four million five hundred thousand US dollars) 3,750,000 Egyptian pounds (three million seven hundred and fifty thousand Egyptian pounds). The company paid the full price.

*- Al-Rehab Saudi Company, based on the letter of the Chairman of the New Damietta City Development and Reconstruction Authority dated No. 1380 on 2/27/2007, paid an amount of 3,450,000 Egyptian pounds to complete the transfer procedures in favor of the Urban Communities Authority (transfer fees), and the amount was paid in full.

- * The New Damietta City Development Authority approved the procedures for relinquishing the land in accordance with the rules in force at the New Urban Communities Authority in favor of the Egyptian

Company for Nitrogen Products, and the Egyptian Company for Nitrogen Products proceeded with the procedures for establishing storage facilities for its fertilizer complex on the above-mentioned land.

- Whereas the company had begun to exploit that plot to implement environmentally friendly projects and establish strategic projects, it was surprised by the New Urban Communities Authority's dispute over that area on August 10, 2023, with the presence of a committee from the New Damietta City Development Authority objecting to establishing any projects on the grounds that the land is owned by the New Damietta City Development Authority.

- Whereas a request was submitted to present the dispute to the Ministerial Committee for Investment Dispute Resolution on December 3, 2024, including confirmation of Mopco's right to own the aforementioned land, which supported the company's request in a letter from Mr. Counselor/ Head of the Cabinet Advisory Board, addressed to Mr. Dr./ Minister of Housing, Utilities and Urban Communities, which concluded that upon presenting the matter to Mr. Dr. Prime Minister, His Excellency kindly approved the legal opinion and directed the concerned parties to write to take the necessary steps to implement it.

- Obligating both the New Urban Communities Authority and the New Damietta City Development Authority to implement what was stated in the opinion approved by His Excellency the Prime Minister, which was communicated to Mr. Dr. / Minister of Housing, Utilities and New Urban Communities, and granting Mopco Company an appropriate period to implement environmentally friendly projects on the plot of land in a way that provides hard currency for the country and benefits the national economy. No session has been set before the committee to consider the request to date.

- In light of the objection and grievance of the New Damietta City Development Authority against the previous decision, Mr. Counselor / Chairman of the Council of Ministers' Advisory Board stated the need to present the matter to the Ministerial Committee for Settling Investment Disputes. The company submitted a request to the committee and the company's request for ownership of the land will be considered, noting that the company addressed the Ministry of Petroleum and Mineral Resources regarding environmentally friendly industrial projects related to the company's activity that benefit Mopco.

- On December 19, 2024, a memo was received from the legal committee of the company stating that the subject of the dispute is to be presented to the ministerial committee for resolving investment disputes, which has been postponed for consideration and is still being deliberated in sessions until the final decision is issued upon the conclusion of the sessions.

- The decision of the ministerial committee for the resolution of investment disputes was issued regarding the dispute raised by Mopco Company against the New Urban Communities Authority and the Agency for the Development and Reconstruction of New Damietta City concerning the Al-Rehab land, obligating the New Urban Communities Authority to cancel the decision issued to revoke the allocation of plot of land in question No. (1/A) located in the East of the navigation canal in New Damietta City with an area of (150,000) m2, which was previously allocated to the Egyptian Company for Fertilizer Production (Mopco). This previous decision was approved by the Council of Ministers in its meeting held on June 4, 2025.

41- Significant Events

- The Ordinary General Assembly of the Egyptian Company for Nitrogenous Products was held on November 2, 2023, which approved the removal of the company from the commercial register, and the Assembly also acquitted the members of the Board of Directors of the Egyptian Company for Nitrogen Products for the fiscal year 2023 until the date of the Assembly.
- 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) 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.

New versions and amendments made to the Egyptian Accounting Standards

- On March 6, 2023, the Prime Minister issued Decision No. (883) of 2023 amending some provisions of the Egyptian Accounting Standards.
- On March 3, 2024, also, the Prime Minister issued Decision No. (636) of 2024 amending some other provisions of the Egyptian Accounting Standards. The following is a summary of the most important of these amendments:

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets and Their Depreciation" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of the revaluation model when subsequently measuring fixed assets and intangible assets. This resulted in amending the paragraphs related to using the revaluation model option in some of the current Egyptian accounting standards, and the following is a statement of those standards: - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodical Financial Statements" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Lease Contracts" 2- In line with the amendments made to Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6), (37) of Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation" have been amended, and paragraphs 22 (a), 80 (c) and 80 (d) have been added to the same standard, with regard to fruitful plants. The company is not required to disclose the quantitative information required under paragraph 28 (w) of Egyptian Accounting Standard No. (5) for the current period, which is the financial statements period in which Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) 2023 amended are applied for	No effect	The amendments to add the option to use the revaluation model apply retrospectively to financial periods beginning on or after January 1, 2023, with the cumulative effect of applying the revaluation model initially being recognized by adding it to the revaluation surplus account alongside equity at the beginning of the financial period in which the company first applies this model. These amendments apply retrospectively to annual periods beginning on or after January 1, 2023, with the cumulative effect of accounting treatment for bearer plants initially being recognised by adding it to the balance of retained earnings or losses at the beginning of the financial period in which the company

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	the first time in relation to bearer plants. However, the quantitative information required by paragraph 28(f) of Egyptian Accounting Standard No. (5) must be disclosed for each prior period presented. The company may choose to measure an item of bearer plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company first applied the above amendments and use that fair value as its notional cost at that date. Any difference between the previous carrying amount and the fair value must be recognized in the opening balance by adding it to the revaluation surplus account next to equity at the beginning of the earliest period presented.		first applies this treatment.
Egyptian Accounting Standard No. (34) amended 2023 "Investment property"	1- This standard was reissued in 2023, allowing the use of the fair value model when subsequently measuring real estate investments. 2- This resulted in amending some paragraphs related to the use of the fair value model option in some of the current Egyptian accounting standards, and the following is a statement of those standards: - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodical Financial Statements" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Lease Contracts"	- The company doesn't own this type of asset, so this amendment doesn't impact the financial statements. - Management is currently studying the possibility of changing the accounting policy followed and using the fair value model option included in the standard, and evaluating the potential impact on the financial statements in the event that this option is used.	The amendments to add the option to use the fair value model apply retrospectively to financial periods beginning on or after January 1, 2023, with the cumulative effect of applying the fair value model initially recognized by adding it to the retained earnings or losses balance at the beginning of the financial period in which the company first applies this model. - The amendment to add the option to use the fair value model applies to financial periods beginning on or after January 1, 2024, and permits early retrospective

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
			application, with the cumulative effect of applying the fair value model initially recognized by adding it to the retained earnings or losses account at the beginning of the financial period in which the company first applies the model
Egyptian Accounting Standard No. (36) amended 2023 "Exploration and evaluation of mineral resources"	1- This standard was reissued in 2023, allowing the use of the revaluation model when subsequently measuring exploration and evaluation assets. 2- The company applies either the cost model or the revaluation model for exploration and evaluation assets, provided that the evaluation is carried out by experts specialized in evaluation and valuation among those registered in a special register at the Ministry of Petroleum, and in the event of applying the revaluation model (whether the model included in Egyptian Accounting Standard (10) "Fixed Assets and Their Depreciation" or the model included in Egyptian Accounting Standard (23) "Intangible Assets") it must be consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.	The company doesn't own this type of asset, so this amendment doesn't impact the financial statements.	The amendments to add the option to use the revaluation model apply retrospectively to financial periods beginning on or after January 1, 2023, with the cumulative effect of applying the revaluation model initially recognised by adding it to the revaluation surplus account alongside equity at the beginning of the financial period in which the company first applies this model.

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture"	This standard was reissued in 2023, amending paragraphs (1-5), (8), (24), and (44) and adding paragraphs (5a)-(5c) and (63), regarding the accounting treatment of bearer plants (and accordingly amending Egyptian Accounting Standard (10) "Fixed Assets and Their Depreciation").	The company doesn't own this type of asset, so this amendment doesn't impact the financial statements.	These amendments shall apply for annual periods beginning on or after January 1, 2023, retrospectively, with the cumulative effect of the accounting treatment for bearer plants initially recognised by adding it to the balance of retained earnings or losses at the beginning of the financial period in which the Company first applies this treatment.
Egyptian Accounting Standard No. (50) "Insurance Contracts"	1- This standard specifies the principles for recognizing insurance contracts within the scope of this standard, and determines their measurement, presentation and disclosure. The objective of the standard is to ensure that the company provides appropriate information that fairly expresses these contracts. This information provides users of the financial statements with the basis necessary to assess the impact of these insurance contracts on the company's financial position, financial performance and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference in other Egyptian Accounting Standards to Egyptian Accounting Standard No. (37) shall be replaced by Egyptian Accounting Standard No. (50). 4-Amendments have been made to the following Egyptian Accounting Standards to comply with the requirements for applying	Management is currently assessing the potential impact on the financial statements from the application of this standard.	-Egyptian Accounting Standard No. (50) must be applied for annual financial periods beginning on or after July 1, 2024, and if Egyptian Accounting Standard No. (50) is applied for an earlier period, the company must disclose that fact. -The Financial Regulatory Authority Resolution No. 273 of 2024 was issued on 27/11/2024 obliging companies addressed by this standard to do the following: - Preparing quarterly periodic financial statements starting

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: - Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property".		from 2025 and their comparative figures for the same period of the previous year by applying the standard with their review and issuing a limited examination report thereon from the auditor. - Preparing annual financial statements for the financial period from 1/1/205 to 31/12/2025 and their comparative figures for the same period similar to the application of the standard, with review and approval by the auditor
Egyptian Accounting Standard No. (34) amended 2024 "Real Estate Investment	Egyptian Accounting Standard No. (34) "Real Estate Investment" was reissued in 2024, where the mechanism for applying the fair value model was amended, where it was added that profit or loss arising from the change in the fair value of real estate investment must be recognized in the statement of profits or losses for the period in which this change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	Management is currently studying the possibility of changing the accounting policy followed and using the fair value model option contained in the standard, and assessing the potential impact on the financial statements if this option is used.	The amendment to the amendments to add the option to use the fair value model applies to financial periods commencing on or after January 1, 2024, and allows for early application retroactively, with the cumulative impact of the application of the fair value model being initially demonstrated by adding it to the calculation of the balance of profits or losses carried forward at the beginning of the financial period in

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
			which the Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Standalone Financial Statements"	Egyptian Accounting Standard No. (17) "Standalone Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Associated Companies" when accounting for investments in subsidiaries, associates and companies with joint control.	The management is currently studying the possibility of changing the accounting policy followed and using the equity method when accounting for investments in subsidiaries, associates and jointly controlled companies, and evaluating the potential impact on the financial statements in the event that this method is used.	The amendments apply to financial periods beginning on or after January 1, 2024, and early application is permitted retrospectively, with the cumulative effect of applying the equity method being recognised by adding it to the retained earnings or losses account at the beginning of the financial period in which the company first applies this method.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of Changes in Foreign Exchange Rates"	This standard was reissued in 2024, adding how to determine the spot rate when two currencies are not exchangeable and the conditions that must be met for the spot exchange rate at the measurement date. An application guidance appendix was added, which includes guidance for assessing whether a currency is exchangeable for another currency, and guidance for applying the required treatments in the event of non-exchangeability.	Management is currently assessing the potential impact on the financial statements from the application of the amendments to the standard.	The amendments to the spot rate determination when two currencies are difficult to exchange apply to financial periods beginning on or after 1 January 2024. Early application is permitted, and if an entity early adopts, it must disclose this. On application, an entity shall not restate comparative information. Instead:

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
			• When an entity reports foreign currency transactions in its functional currency, any effect of initial application is recognised as an adjustment to the opening balance of retained earnings at the date of initial application. When an entity uses a presentation currency other than its functional currency or translates the results and financial position of a foreign operation, any effect of initial application is recognised as an adjustment to the cumulative amount of translation differences - accumulated in equity - at the date of initial application.
Accounting Interpretation No. (2) "Carbon Emission Reduction Certificates"	Carbon Credits: are tradable financial instruments that represent greenhouse gas emission reduction units, each unit represents a ton of equivalent carbon dioxide emissions, and are issued to the developer of the reduction project (owner/non-owner), after accreditation and verification in accordance with internationally recognized carbon emission reduction standards and methodologies, carried out by local or international verification and certification bodies registered in the list prepared by the Financial Regulatory Authority for this purpose. Companies can use carbon emission reduction certificates to meet voluntary emission reduction targets (for companies) to achieve carbon exchange or other targets, which	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	Application begins on or after January 1, 2025 and early application is permitted.

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	are traded in the voluntary carbon market. (Voluntary Carbon Market "VCM") The accounting treatments differ according to the nature of the arrangement and the commercial purpose of purchasing or issuing certificates by project developers. Therefore, companies must determine the facts and identify the different circumstances to determine the appropriate accounting treatment and the accounting standard to be applied. The interpretation addresses the accounting treatment of different cases in terms of initial measurement, subsequent measurement, exclusion from books, and necessary disclosures.		
Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies"	On October 23, 2024, Prime Ministerial Decree No. 3527 of 2024 was issued to add a new accounting standard No. 51 "Financial Statements in Hyperinflationary Economies" to the Egyptian Accounting Standards, to deal with hyperinflationary economies, for any entity or establishment whose currency of record is in a hyperinflationary economy. Egyptian Accounting Standard No. 51 aims to amend the financial statements to reflect current purchasing power, which helps in providing a more accurate and objective picture of the financial position and financial performance of the entity. The standard applies to financial statements prepared in the currency of an inflationary economy, whether the statements are separate or consolidated, and this includes parent companies and subsidiaries operating in the same economic conditions. the classification of economic transactions as hyperinflationary is studied by the characteristics of the economic environment, which include, but are not limited to, the following: The preference of most of the population to hold their wealth in non-monetary assets or in a relatively stable foreign currency. The general population measures monetary amounts in the local currency in terms of the equivalent of a relatively stable foreign currency, and prices may be reported in	No decision has been issued by the Prime Minister or his delegate to specify the start and end dates of the financial period or periods during which this standard must be applied. Therefore, the management has not studied the impact on the financial statements.	No decision has been issued by the Prime Minister or his delegate to determine the start and end date of the financial period or periods during which this standard must be applied

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	that foreign currency. The cumulative inflation rate over the three years preceding the date of classification of the economy is close to (100%), or more. The required amendments include all components of the financial statements such as the statement of financial position, statement of comprehensive income and statement of cash flows, which must be presented in a current unit of measurement that is consistent with the end of the period. This standard will come into effect on October 24, 2024, and a decision will be issued by the Prime Minister or his delegate to determine the start and end dates of the financial period or periods during which this standard must be applied. The standard requires the use of a general price index to measure changes in purchasing power, whereby assets, liabilities, expenses and revenues are adjusted according to this index. A decision is issued by the Chairman of the Financial Regulatory Authority, after coordination with the Central Bank of Egypt and the Ministry of Finance, to determine the appropriate index to be used when applying this standard to the local currency. This procedure contributes to increasing comparability between different financial periods, which contributes to making more informed investment and administrative decisions. In addition, the standard requires disclosure of the adjustment method. Any estimates or personal judgments made to ensure transparency, and how inflation affects the financial statement items, should be explained. There is no impact on the financial statements for the period ending September 30, 2025		

42- Significant Accounting policies applied

421-1 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.

42-2 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.

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: -

Description	Depreciation rate
- 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.

42-3 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.

42-4 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.

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 live 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:

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

42-5 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.

42-6 Revenue from contracts with customers

•The company has implemented Egyptian Accounting Standard No. 48 as of January 1, 2021.

•Egyptian Accounting Standard No. 48 replaces Egyptian Accounting Standard No. 11 "Revenue" and Egyptian Accounting Standard No. 8 "Construction Contracts" and related interpretations. EAS 48 deals with the recognition of revenue from contracts with customers as well as the treatment of additional costs incurred in obtaining a contract with a customer, which will be explained in more detail below.

• Egyptian Accounting Standard No. 48 states that revenue recognition depends on 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.

In addition, Egyptian Accounting Standard No. 48 includes disclosure of financial statements, with respect to the nature, amount, timing and uncertainty of revenue and related cash flows.

- Revenue recognition

The management evaluated the impact of applying the new standard on the company's financial statements, by applying the five-step model, and concluded that the current basis for revenue recognition is still appropriate because the only performance obligation is to deliver the sold quantities to its customers, whether local or foreign, as it is according to the contracts concluded with customers. The company transfers control over the quantities sold to customers according to the following:

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.

Therefore, management considers that the initial recognition of Egyptian Accounting Standard No. 48 has no significant change or impact on the company's accounting policies applied to its financial statements.

- 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.

42-7 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.

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:

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

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 valuesare 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.

- Paying 20%of the outstanding balances of the financial asset, including the accrued interest set aside/marginalized.

- Regular payment for at least 12 months.

<u>Measuring Expected Credit Loss:</u>

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.

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 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.

42-8 Lease contracts

In January 1, 2021, the management made a detailed assessment of the impact of applying Egyptian Accounting Standard No. (49) on the company's independent financial statements.
- Egyptian Accounting Standard No. 49 replaced the previous Egyptian Accounting Standard No. 20 "Accounting Rules and Standards Related to Financial Leasing Operations". Under the new leasing standard, the assets leased by the Company are recorded in the Company's statement of financial position with the corresponding liability recorded.
- During the year 2021, the company made a detailed assessment of the impact of Egyptian Accounting Standard No. 49, and the impact of applying Standard No. 49 was as follows:
• The company, as a lessee, recognized 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 was 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:
-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.

Transitional rules:

The company adopted the Egyptian Accounting Standard No. 49 calculated on the basis of the remaining period of the contract, and the comparison numbers were not modified, based on Paragraph C8 of the appendix to the standard regarding the rules regarding the effective date and the transitional rules.

42-9 Investments in the subsidiary company

- Investments in subsidiaries are accounted for at cost - and if some indications and indications of the possibility of impairment losses in the value of investment in subsidiaries appear on the date of the financial statements, the book value of those investments is reduced to their recoverable value and the resulting impairment losses are immediately included in the list of profits or losses.

42-10 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.

42-11 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.

42-12 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

42-13 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.
- 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.
- 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.

42-14 Employees profit share:

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries. 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.

42-15 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.

42-16 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.

42-17 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.

42-18 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 period.

42-19 Statement of Cash Flows

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