MISR FERTILIZERS PRODUCTION COMPANY (S.A.E)

(MOPCO)

THE PERIODICAL STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED March ٣١, ٢٠٢٤

And Limited Review Report

Component

Dr. A. M. Hegazy & Co.
Dr. Khaled A. Hegazy
Accountants & Consultants
A Member of Crowe Global
6 Boulos Hannah St., 5th Floor
Dokki, 12311 Giza, Egypt
Tel. 37600319 - 37600320 - 37616310
Fax. 37600468
www.crowe.com

Translated - the original issued in Arabic

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 31st March 2024, and the related statements of income, 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.

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 March 31th, 2024, and of its financial performance and cash flows for the three -months period then ended in accordance with Egyptian Accounting Standards.

Auditor

Khaled Hegazy

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

Dr. Khaled A.M. Hegazy
Fellow of the Egyptian Society of Accountants & Auditors
Accountants & Auditors Register "AAR" No. 10945
Financial Regulatory Authority Auditors Register "FRAAA" No. 72
Independent Profesional Practice - Member of Crowe Global

Dated: May 23 ,2024

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
PERIODICAL STATEMENT OF FINANCIAL POSITION
AS AT March 31, 2024

In Egyptian pound	Note No.	March 31, 2024	December 31, 2023
Assets			
Non-current assets			
Fixed assets & projects under construction	(3)	35 164 130 434	35 606 433 627
Other assets & projects under construction	(4)	45 719 692	45 251 573
Right of use asset	(5)	109 771 722	114 162 591
Investments in associates	(6)	1 566 325	1 566 325
Financial assets at amortised cost	(7)	8 535 918 149	2 651 983 898
Other financial assets	(9)	883 406 033	588 141 794
Total non-current assets		**44 740 512 355**	**39 007 539 808**
Current assets			
Inventory	(10)	1 201 406 794	1 235 471 092
Accounts receivable	(11)	604 619 271	727 877 314
Financial assets at amortized cost	(7)	4 943 951 364	4 466 296 953
Financial assets at fair value through profit or loss	(8)	2 412 844 418	620 378 810
Debtors and other debit balances	(12)	440 772 720	240 052 060
Suppliers (advance payments)		65 787 882	77 024 326
Cash at banks and on hand	(14)	8 862 738 435	7 814 757 372
Total current assets		**18 532 120 884**	**15 181 857 927**
Total assets		**63 272 633 239**	**54 189 397 735**
Equity			
Issued and paid-up capital	20-b	20 791 840 110	20 791 840 110
Legal reserve		1 212 315 306	734 200 772
General reserve	20-c	352 383 742	352 383 742
Result of the merging process	20-d	7 889 562 509	7 889 562 509
Retained earnings		15 519 155 930	13 484 740 108
Total equity		**45 765 257 597**	**43 252 727 241**
Liabilities			
Non-current liabilities			
Lease liabilities	(16)	188 085 925	127 711 334
Deferred tax liabilities	(21)	8 223 018 580	6 852 611 239
Non-current employee benefits obligation	(22)	318 004 127	307 457 991
Total non-current liabilities		**8 729 108 632**	**7 287 780 564**
Current liabilities			
Current income tax	(15)	744 665 622	2 613 879 927
Lease liabilities	(16)	31 323 062	20 765 534
Trade payables	(17)	393 712 261	241 425 813
Creditors and other credit balances	(18)	7367 829 349	295 685 111
Advance payments from customers (contract liability)		161 700 571	192 240 116
Current employee benefits obligation	(22)	3 411 990	3 291 062
Provisions	(19)	75 624 155	281 602 367
Total current liabilities		**8 778 267 010**	**3 648 889 930**
Total liabilities		**17 507 375 642**	**10 936 670 494**
Total equity & liabilities		**63 272 633 239**	**54 189 397 735**

* The accompanying notes from no(1) to no(40) are an integral part of the periodical financial statements and to be read therewith.

The company's vice president for financial & economic affairs	Chairman of board of directors & Managing Director
Acc. Mohamed El Shayeb	ENG. Ahmed Mahmoud El-Sayed

Limeted Review report "attached"

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
PERIODICAL STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED March 31, 2024

In Egyptian pound	Note No.	31/3/2024	31/3/2023
Net sales	(23)	4 796 727 607	1 500 007 725
Cost of sales	(24)	(2 656 995 192)	(609 780 573)
Gross profit		**2 139 732 415**	**890 227 152**
Other income	(25)	15 020 217	8 812 410
Selling and marketing expenses	(26)	(138 206 976)	(36 098 761)
General and administrative expenses	(27)	(150 182 722)	(41 641 267)
Other Expenses	(28)	(7 212 994)	(4 554 628)
(Formed)/Reversal of expected credit losses	(31)	(305 435 321)	(1 333 231)
Operating profit		**1 553 714 619**	**815 411 675**
Finance income	(30)	429 424 215	235 444 481
Finance costs	(29)	(12 790 437)	(443 964)
Foreign currency translation gains		7 850 978 778	2 088 419 863
Net finance income		**8 267 612 556**	**2 323 420 380**
Company's share in the subsidiary's dividends		-	1 530 854 436
Net profit for the Period before income tax		**9 821 327 175**	**4 669 686 491**
Income tax	(32)	(2 173 117 449)	(741 645 318)
Net profit for the Period after income tax		**7 648 209 726**	**3 928 041 173**
Basic and diluted earnings per share	(33)	**3.68**	**1.89**

* The accompanying notes from no(1) to no(40) are an integral part of the periodical financial statements and to be read therewith.

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)

EGYPTIAN JOINT STOCK COMPANY

PERIODICAL STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED March 31, 2024

In Egyptian pound

	31/3/2024	31/3/2023
Net profit for the period	7 648 209 726	3 928 041 173
Other comprehensive income		
Total other comprehensive income for the Period after tax	7 648 209 726	3 928 041 173
Transferred to retained earnings		
Total comprehensive income for the Period	7 648 209 726	7 648 209 726

* The accompanying notes from no(1) to no(40) are an integral part of the periodical financial statements and to be read therewith.

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
PERIODICAL STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED March 31, 2024

In Egyptian pound Description	Issued and paid-up capital	Legal reserve	General reserve	Retained earnings	Result of the merging process	Total
Balance as at January 1, 2023	2 291 172 320	542 474 871	352 383 742	7 957 374 710	-	11 143 405 643
Comprehensive income						
Net profit for the Year	-	-	-	3 928 041 173		3 928 041 173
Total comprehensive income	-	-	-	3 928 041 173		3 928 041 173
Transactions with the owners of the company	-	-	-	-	-	-
Transferred to legal reserve from year 2022 profit	-	-	-	-	-	-
Dividends to employees and board of directors	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-
Total transactions with the owners	-		-			
Balance as at March 31, 2023	2 291 172 320	542 474 871	352 383 742	11 885 415 883	-	15 071 446 816
Balance on 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 for the Period	-	-	-	7 648 209 726	-	7 648 209 726
Total comprehensive income	20 791 840 110	734 200 772	352 383 742	21 132 949 834	7 889 562 509	50 900 936 967
Transferred to legal reserve		478 114 534		(478 114 534)		
Transactions with the owners of the company	-	-	-		-	-
Dividends to employees and board of directors				(977 311 348)		(977 311 348)
dividend of shareholders				(4 158 368 022)		(4 158 368 022)
Total transactions with the owners of the compai	-	478 114 534	-	(5 613 793 904)	-	(5 135 679 370)
Balance as at March 31, 2024	20 791 840 110	1 212 315 306	352 383 742	15 519 155 930	7 889 562 509	45 765 257 597

* The accompanying notes from no(1) to no(40) are an integral part of the periodical financial statements and to be read therewith.

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
PERIODICAL STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED March 31, 2024

In Egyptian pound	Note No.	March 31, 2024	March 31, 2023
Cash flows from operating activities			
Net profit for the period before tax		9 821 327 175	4 669 686 491
Adjusted as follows:			
Fixed asset depreciation	(3)	550 086 564	40 679 867
Amortization of other assets and right of use assets	(4&5)	4 658 878	1 272 610
Provisions formed		-	3 394 168
Provisions no longer required		(4 100 000)	-
Company's share in the subsidiary's dividends		-	(1 530 854 436)
Formed/(Reversal of) expected credit losses	(31)	305 435 321	1 333 231
Net finance income	(30)	(416 633 778)	(235 000 517)
Unrealized foreign currency translation changes		(7 969 526 808)	(1 828 208 681)
		2 291 247 352	**1 122 302 733**
Changes in:			
Change in other financial assets			
Inventory		34 064 298	(34 771 767)
Accounts receivable		123 258 043	220 975 747
Debtors and other debit balances		(200 720 660)	(35 960 179)
Due from related parties		-	18 948 384
Suppliers (advance payments)		11 236 444	(2 803 459)
Trade payable		152 286 448	(112 966 600)
Creditors and other credit balances		2 913 776 216	(48 170 427)
Advance payments to customers (lease liability)		(30 539 545)	(4 135 958)
Provisions used		(201 878 212)	-
Cash flows generated from operating activities		**5 092 730 384**	**1 123 418 474**
Dividends paid to employees and board of directors		(977 311 348)	-
Income tax paid		(2 671 924 411)	(11 889 004)
Paid for employee benefits		(617 329)	-
Net cash flows generated from operating activities		**1 442 877 296**	**1 111 529 470**
Cash flows from investing activities			
Received interest		374 033 273	139 474 517
Proceeds from the subsidiary's loans		-	3 865 121 489
Paid in securities & treasury bills		(3 716 500 975)	-
Payment for the purchase of fixed assets, projects under construction and other assets		(107 783 372)	(52 269 861)
Net cash flows generated from investing activities		**(3 450 251 074)**	**3 952 326 145**
Cash flows from financing activities			
Dividends paid to shareholders		(52 301)	(22 232)
Debit interest paid		-	(443 964)
Payment of lease liabilities		(5 902 860)	(1 465 255)
Net cash flows used in financing activities		**(5 955 161)**	**(1 931 451)**
Net changes in cash and cash equivalents		**(2 013 328 939)**	**5 061 924 164**
The effect of changes in exchange rates on cash and cash equivale		3 061 310 002	1 306 543 078
Cash & cash equivalent at the beginning of the year		7 814 757 372	4 384 347 061
Cash & cash equivalent at the end of the period	(14)	**8 862 738 435**	**10 752 814 303**

* The accompanying notes from no(1) to no(40) are an integral part of the periodical financial statements and to be read therewith.

Translation of financial statements originally issued in Arabic

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
THE NOTES OF THE PERIODICAL FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED March 31, 2024

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, starting from 28/07/2023 to 27/07/2048, and this was noted in the company's commercial register on 31/05/2023.

1-4 The Company's Headquarters:

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

2- Basics for preparation of financial statements

2-1 Compliance with accounting standards and laws

- The financial statements have been prepared in accordance with the Egyptian accounting standards and the related Egyptian law and regulations.
- The board of directors approved the issuance of the financial statements on May 16,2024

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)

In Egyptian pound	Land	Buildings & constructions	Machinery & equipment	Vehicles	Tools	Furniture & fixtures	Computers	Projects under construction	Total
Cost									
Cost as at 1/1/2023	101 809 908	**372 336 734**	**2 302 079 124**	**28 261 477**	**42 675 572**	**23 215 156**	**52 592 291**	44 065 939	**2 967 036 201**
Additions	-		-	-	6 360 065	1 537 887	3 682 826	73 914 735	**85 495 513**
Cost of merged company's assets	160 211 287	15 537 308	49 062 289 173	75 004 685	36 642 820	12 095 408	65 424 591	142 539 855	**49 569 745 127**
Disposals	-	-	-	(109 900)	(362 886)	(289 332)	(587 149)	-	**(1 349 267)**
Transferred from projects under construction		49 745 090	-	-	3 537 818	-	5 844 085	(59 126 993)	-
Cost as at 31/12/2023	**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	-	-	-	31 216 950	1 751 543	629 291	3 989 016	74 106 242	**111 693 041**
Disposals	-	-	-	-	-	-	-	(3 909 670)	**(3 909 670)**
Transferred from projects under construction	-	19 220 000	53 309 652	-	-	-	-	(72 529 652)	-
Cost as at 31/03/2023	**262 021 195**	**456 839 132**	**51 417 677 949**	**134 373 212**	**90 604 932**	**37 188 410**	**130 945 660**	**199 060 456**	**52 728 710 945**
Accumulated Depreciation									
Accumulated depreciation as at 1/1/2023	-	80 903 989	1 627 671 645	19 738 526	27 722 896	9 007 018	27 934 171	-	**1 792 978 245**
Accumulated depreciation of the merged company's	-	2 576 456	14 838 873 127	45 123 042	11 570 912	8 804 118	54 605 132	-	**14 961 552 787**
Depreciation for the year	-	23 084 963	217 500 785	3 863 959	4 652 468	1 883 844	9 923 425	-	**260 909 444**
Disposals	-	-	-	(109 900)	(268 540)	(289 332)	(278 757)	-	**(946 529)**
Accumulated depreciation as at 31/12/2023		**106 565 408**	**16 684 045 557**	**68 615 627**	**43 677 736**	**19 405 648**	**92 183 971**		**17 014 493 947**
Accumulated depreciation as at 1/1/2024	-	106 565 408	16 684 045 557	68 615 627	43 677 736	19 405 648	92 183 971	-	**17 014 493 947**
Depreciation for the year	-	6 415 653	531 707 476	4 439 115	2 524 203	792 559	4 207 559	-	**550 086 564**
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31/3/2024		**112 981 061**	**17 215 753 033**	**73 054 742**	**46 201 939**	**20 198 207**	**96 391 530**		**17 564 580 511**
Net book value as at 1/1/2023	**101 809 908**	**291 432 745**	**674 407 479**	**8 522 951**	**14 952 676**	**14 208 138**	**24 658 120**	**44 065 939**	**1 174 057 956**
Net book value as at 31/12/2023	**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 book value as at 31/03/2024	**262 021 195**	**343 858 071**	**34 201 924 916**	**61 318 470**	**44 402 993**	**16 990 203**	**34 554 131**	**199 060 456**	**35 164 130 434**
Assets depreciated in books but still in use									**204 256 930**

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

	31/3/2024	31/12/2023
Building and roads	-	10 075 000
Machine and equipment	133 007 983	130 389 228
Computers	213 479	213 479
Advance payment	32 185 402	27 062 237
Letters of credit	33 653 592	33 653 592
Total	**199 060 456**	**201 393 536**

4- Other assets & projects under construction

	The Company's contribution in assets not owned by it and serve its purposes	Gas pipeline	License and software	Projects under construction	Total
COST					
Cost as at 1/1/2023	5 000 000	15 627 372	8 957 122	**10 189 901**	39 774 395
Additions during the year	-	-	-	33 311 641	33 311 641
Cost as at 31/12/2023	**5 000 000**	**15 627 372**	**8 957 122**	**43 501 542**	**73 086 036**
Additions during the Period	-	-	-	736 128	736 128
Cost as at 31/3/2024	**5 000 000**	**15 627 372**	**8 957 122**	**44 237 670**	**73 822 164**
Accumulated amortization					
Accumulated amortization as at 1/1/2023	5 000 000	12 805 302	8 957 122	-	26 762 424
Amortization during the year	-	1 072 039	-	-	1 072 039
Accumulated amortization as at 31/12/2023	**5 000 000**	**13 877 341**	**8 957 122**	-	**27 834 464**
Amortization during the period	-	268 009	-	-	268 009
Accumulated amortization as at 31/3/2024	**5 000 000**	**14 145 350**	**8 957 122**	-	**28 102 472**
Net book value					
Net book value as at 1/1/2023	-	**2 822 070**	-	**10 189 901**	**13 011 971**
Net book value as at 31/12/2023	-	**1 750 031**	-	**43 501 542**	**45 251 573**
Net book value as at 31/3/2024	-	**1 482 022**	-	**44 237 670**	**45 719 692**
Amortized assets and still in use	-	-	-	-	**13 957 122**

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

	31/3/2024	31/12/2023
Licenses and software	44 237 670	43 501 542
Total	**44 237 670**	**43 501 542**

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:

Cost	Amount
Cost as at 1/1/2024	166 853 016
Addition during the Period	-
Cost as at 31/3/2024	**166 853 016**
Accumulated amortization	
Accumulated amortization as at 1/1/2024	52 690 425
Amortization expense during the Period	4 390 869
Accumulated amortization as at 31/3/2024	**57 081 294**
Net book value as at 31/12/2023	**114 162 591**
Net book value as at 31/3/2024	**109 771 722**

6 -Investment in associate companies:

	Contribution percentage %	31/3/2024	Contribution percentage %	31/12/2023
Damietta for Green Ammonia Company	20	1 566 325	20	1 566 325
		1 566 325	20	1 566 325

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 20% in it together with the Egyptian Petrochemicals Holding Company and Scatec Norwegian company.
- Investments in the company at March 31, 2024 amounted to 1 566 325 equivalents to (50 thousand US dollars) 20% of issued capital.
- The company's purpose is to produce green ammonia.
- The project is located in the public free zone in New Damietta.
- There are no new events until the date of preparing the financial position..

7-Investments at amortized cost:

7-1 financial investments at amortized cost (non-current portion):

	31/3/2024	31/12/2023
Government Bonds	9 500 582 990	2 925 342 525
Unearned returns (amortized cost)	(779 753 870)	(273 358 627)
	8 720 829 120	**2 651 983 898**
Expected credit losses (Note31)	(184 910 971)	-
Net book value	8 535 918 149	2 651 983 898

- 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.

7-2 financial investments at amortized cost (current portion):

	31/3/2024	31/12/2023
Government bonds at par value	4 771 084 200	1 906 440 052
Treasury bills	222 116 712	-
Time deposits	-	2 586 966 120
	4 493 200 912	**4 493 406 172**
Unearned returns (amortized cost)	(22 810 838)	(27 109 219)
Expected credit losses	(26 438 710)	-
Net book value	**4 943 951 364**	**4 466 296 953**

*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.

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

	Before revaluation	After revaluation	change	Before revaluation	After revaluation	change
Investment Fund	2 363 244 481	2 412 844 418	49 599 577	614 872 688	620 378 810	5 506 122
	2 363 244 481	**2 412 844 418**	**49 599 577**	**614 872 688**	**620 378 810**	**5 506 122**

9- Other financial assets

	Note no	31/3/2024	31/12/2023
Letters of guarantee *		72 731 487	47 421 351
Pledged Deposits **		355 633 500	231 807 000
Frozen Deposits***		474 178 000	309 076 000
Expected credit losses	(31)	(19 136 954)	(162 557)
		883 406 033	**588 141 794**

*Letters of guarantee are fully covered amounts according to long-term contract terms with various authorities and parties (a letter of guarantee in favor of GASCO in the amount of 1 320 000 US dollars in return for the supply of gas - a letter of guarantee in favor of the Public Free Zone in Damietta in return for securing the factory land rent in the amount of 213 000 US dollars and another in the amount of 40,000 Egyptian pounds)

** The deposits represent the equivalent of US$ 7.5 million against frozen deposits with the Export Development Bank in exchange for the issuance of a letter of credit for the supply of capital assets to the company.

*** Represents in a frozen deposit amounting to 10 million USD in return of a letter of credit in favour of EGAS Company according to gas import agreement with the merged company.

10- Inventory

	31/3/2024	31/12/2023
Spare parts	695 204 888	677 344 809
Finished goods at cost	363 012 210	440 222 646
Work in process at cost	211 444 578	174 024 829
Supplies	80 549 974	81 612 529
Goods in transit	138 527 680	136 833 203
Raw material	19 480 743	35 859 778
Oils and fuels	4 149 609	536 186
	1 512 369 682	**1 546 433 980**
Accumulated impairment inventory	**(310 962 888)**	**(310 962 888)**
Net Book Value	**1 201 406 794**	**1 235 471 092**

11- Accounts and notes receivable

	Note no.	31/3/2024	31/12/2023
Accounts receivable		665 925 600	728 260 668
Expected credit losses	(31)	(61 306 329)	(383 354)
		604 619 271	**727 877 314**

12- Debtors and other debit balances

	31/3/2024	31/12/2023
Accrued credit interest	107 647 896	35 659 354
Employees' advances and Installments	27 721 967	29 756 368
Deposits with others	10 144 863	9 972 099
Other debtors	7 952 712	2 196 945
Tax refund	14 896 746	7 780 648
Prepaid expenses	7 380 397	13 366 330
Value added tax	128 888 480	128 888 480
Tax Authority	13 187 840	13 187 840
Employee funds	126 205 846	-
	444 026 747	**240 808 064**
Expected credit losses	(3 254 027)	(756 004)
	440 772 720	**240 052 060**

13- Transactions with related parties

A- Related parties represent:

– Egyptian Petrochemicals Holding Company "ECHEM"	Major shareholder by 31.47 %
– Egyptian Natural Gas Holding CO."EGAS"	Major shareholder by 8.46 %
– Misr Insurance Company	Major shareholder by 1.15 %
– Suez Methanol Derivatives Company	A demerged company (subsidiary to the holding company of

B- Related parties' transactions

The following is a summary of transactions with related parties:

Description	**Nature of transactions**	**The financial year ended in**	
		31/3/2024	**31/3/2023**
Misr Insurance Company	Insurance services	27 312 956	6 072 915
Egyptian Natural Gas Holding CO."EGAS"	Gas Supplier	1 157 874 647	-
Suez Methanol Derivatives Company	Services rendered / Payments on behalf of the company. demerged	-	44 132

* 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

	31/3/2024	**31/12/2023**
Suez Methanol Derivatives Company	1 235 806	1 595 449
Expected credit losses	(1 235 806)	(1 595 449)
	-	-

14- Cash at banks and on hand

	Note no.	**31/3/2024**	**31/12/2023**
Banks current accounts		185 792 204	173 490 835
Time Deposits		8 693 294 945	7 645 565 364
		8 879 087 149	**7 819 056 199**
Expected credit losses	(31)	(16 348 714)	(4 298 827)
		8 862 738 435	**7 814 757 372**

15- Current income tax

	31/12/2023	**31/12/2023**
Current income tax	2 835 745 996	2 695 901 184
Payments on account of tax*	(2 024 640 000)	(3 374 634)
Withdraw on account of tax	(66 440 374)	(78 646 623)
Balance	**744 665 622**	**2 613 879 927**

* The value of the tax payment paid by the General Petroleum Authority on behalf of the company for the 2023 returns

16- Lease liabilities

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

	31/3/2024	31/12/2023
Merging company beginning balance	148 476 868	142 814 053
Interest during the year	1 506 044	2 142 560
Translation difference	75 328 935	12 569 267
Payments during the year	(5 902 860)	(9 049 012)
	219 408 987	**148 476 868**
Non-Current lease liability	188 085 925	127 711 334
current lease liability	31 323 062	20 765 534
	219 408 987	**148 476 868**

17- Trade Payables

	31/3/2024	31/12/2023
Gas supplier (GASCO)	260 294 068	88 025 393
Egyptian Natural Gas Holding CO."EGAS" *	45 864 054	6 763 264
Other suppliers	87 554 139	146 637 156
	393 712 261	**241 425 813**

- Egyptian Natural Gas Holding Co. shareholder of the company with share percentage of 8.46%.

18- Creditors and other credit balances

	31/3/2024	31/12/2023
Deposits from others	37 498 716	33 810 865
General Authority for Health Insurance	87 226 531	54 506 407
Value added tax	22 349 801	898 852
Due to the minor shareholders from shares selling auction	6 901 741	6 903 626
Shareholder dividends payable	4 162 021 734	3 706 014
Other credit balances	13 667 451	8 440 686
Credit balances to other companies	41 289 471	40 698 247
Due to the General Petroleum Corporation	2 845 045 064	-
Salary tax	11 580 400	36 912 421
Accrued social insurance	4 324 269	3 651 274
Accrued expenses	5 757 366	103 924 972
Withholding tax	3 960 959	2 231 747
Employees' credit balances	126 205 846	-
	7 367 829 349	**295 685 111**

* The increase in the balance of shareholders' distribution creditors on March 31, 2024 is due to the distributions approved by the company's ordinary general assembly held on March 9, 2024 for the profits of the year 2023, which were paid in April 2024.

**The value owed to the General Petroleum Authority for the 2023 tax returns paid on behalf of the company to the Tax Authority.

19- Provisions

	Balance as at 01/1/2024	Formed	Used	Provision no longer required	Balance as at 31/3/2024
Claims provision*	281 602 367	-	(201 878 212)	(4 100 000)	75 624 155
	281 602 367	**-**	**(201 878 212)**	**(4 100 000)**	**75 624 155**

*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).
- 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 as of March 31, 2024, amounted to EGP 20 792 million (twenty billion and seven hundred ninety-two million Egyptian Pound), on December 31, 2014 amounted to EGP 1.992 million (one billion and nine hundred ninety-two million Egyptian Pound), and on December 31, 2010 amounted to EGP 1 984 million (one billion and nine hundred eighty-four million Egyptian Pound). During year 2011 the amount of the overdue installments was paid. Therefore, the issued capital was fully paid and was recorded in the commercial register on June 9, 2011, which has previously registered in the commercial register on January 26, 2009, as a result of the acquisition of Egyptian Nitrogen Products Company "ENPC" (S.A.E), this acquisition according to the shares exchange with the shareholders of Egyptian Nitrogen Products Company "ENPC" based on the evaluation prepared for this purpose which results in a fair value for the two companies amounted to US Dollars 1 266 million. Therefore, the Company's extraordinary general assembly dated November 8, 2008, decided to increase the Company's capital by 100% in favor of the shareholders of Egyptian Nitrogen Products Company "ENPC". Also, decided the acquisition of Egyptian Nitrogen Products Company "ENPC" and record the investment by the nominal value of the share at EGP 10 each.
- 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 share at par value 10 EGP and this was noted in the commercial register on December 13, 2023.

– **The structure of the shareholders of the Company is as follows**:

Shareholder	%	No. Of shares	Amount
Egyptian Petrochemicals Holding Co. "ECHEM"	31.47%	654 380 645	6 543 806 450
The Saudi Egyptian Investment Company	25.56%	531 363 663	5 313 663 630
Abu Dhabi Investment Holding Company (Alfa Oryx Limited)	20%	415 836 798	4 158 367 980
Egyptian Natural Gas Holding Co. "EGAS"	8.46%	175 892 507	1 758 925 070
The Arab Petroleum Investments Corp. "APICORP"	3.03%	63 072 153	630 721 530
IPO	11.70%	238 638 245	2 386 382 450
	100%	**2 079 184 011**	**20 791 840 110**

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''.

D- Result of the merge

Represents the increase in the value of investments in the merged company, amounting to 22,188,624,057 Egyptian pounds, according to the economic performance report based on the book value according to the financial statements of the merged company as of December 31, 2022 and as amended as follows:

- Net rights of the merged company.
- Translation differences for balances until the write-off date on December 13, 2023.
- Cancellation of the merged company's marine dock licenses.
- The value of the decrease in inventory after deducting the deferred tax.
- Transferred to capital in accordance with the decision of the Extraordinary General Assembly on November 4, 2023

Description	31/03/2024	31/12/2023
The balance according to economic performance report	22 188 624 057	22 188 624 057
Net equity of the merged company	9 911	9 911
Translation difference of the merged company	4 190 452 281	4 190 452 281
Deferred tax on impairement of inventory in both companies	69 966 649	69 966 649
Cancellation of the licenses of the marine pier of the merged company	(21 740 553)	(21 740 553)
Impairement in the value of inventory in the merging company	(37 082 046)	(37 082 046)
Total	**26 390 230 299**	**26 390 230 299**
Transferred to capital	(18 500 667 790)	(18 500 667 790)
Balance at 31/03/2024	**7 889 562 509**	**7 889 562 509**

21- Deferred Tax liabilities

	31/3/2024	31/12/2023
Fixed assets and other assets of the merging company	6 647 874 623	6 698 713 265
Foreign currency translation differences	1 790 189 674	298 706 880
Employee benefits provision	(72 318 429)	(69 918 537)
Impairment in the value of inventory	(69 966 649)	(69 966 649)
Provisions	(2 418 549)	(3 700 025)
Lease liabilities of the merged company	-	(1 223 695)
Provision for Expected credit losses	(70 342 090)	-
	8 223 018 580	**6 852 611 239**

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.

	31/3/2024	31/12/2023
Balance in 1 Jan 2023	310 749 053	248 161 494
Current service cost	-	35 159 004
Interest expense	11 284 393	28 903 630
Payments	(617 329)	(1 475 075)
	321 416 117	**310 749 053**
Employee benefits obligation (current)	**3 411 990**	**3 291 062**
Employee benefits obligation (non-current)	**318 004 127**	**307 457 991**
	321 416 117	**310 749 053**

22-2 Amounts recognized in profit or loss statement:

	31/3/2024	31/3/2023
Current service cost	-	-
Interest expense	11 284 393	-
	11 284 393	-

Actuarial assumptions:

	31/3/2024	31/12/2023
Discount rate	14.56%	14.56%
Inflation rate	15.7%	15.7%
Benefits increase rate	13%	13%

-The expected benefits through the next five years:

The first year	2 213 332
The second year	3 291 062
The third year	4 704 645
The fourth year	6 304 800
The fifth year	8 480 376
The next five years	87 793 627

-Sensitivity analysis of actuarial assumptions:

	Change in assumptions		Change in benefits	
	Increase	Decrease	Increase	Decrease
Discount rate	%0.5	%0.5	(226 959 899)	272 093 736
Discount rate	%0.5	%0.5	270 982 329	(227 854 504)

23- Net Sales

	31/3/2024	31/3/2023
Domestic Sales	1 201 910 219	684 311 261
Export Sales	3 594 817 388	815 696 464
	4 796 727 607	**1 500 007 725**

*The increase in sales over the comparative period is mostly due to the merged company's revenues.

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.

	31/3/2024			31/3/2023		
	Urea	Ammonia	**Total**	Urea	Ammonia	**Total**
Domestic	970 361 073	231 549 146	**1 201 910 219**	401 688 341	282 622 920	**684 311 261**
Export	3 339 383 591	255 433 797	**3 594 817 388**	815 696 464	-	**815 696 464**
	4 309 744 664	**486 982 943**	**4 796 727 607**	**1 217 384 805**	**282 622 920**	**1 500 007 725**

24- Cost of Sales

	31/3/2024	31/3/2023
Gas	1 734 359 131	493 539 399
Other materials**	137 186 340	32 634 383
Salaries and wages	132 161 146	27 010 502
Depreciation and amortization	538 667 591	36 370 941
Security expenses	20 235 508	4 141 898
Factory insurance expenses	27 468 891	4 936 728
Maintenance expenses, Technical labor and external cleaning	45 429 365	6 418 284
Governmental fees and industrial security	3 413 427	2 208 505
Transportation expenses	7 097 019	1 109 781
Other expenses	10 976 774	1 310 152
	2 656 995 192	**609 780 573**

*The increase in expenses over the comparative period is mostly due to the merged company's expenses.

**The amount of other materials represents expenses for spare parts, materials, electricity, and water for factories.

25- Other income

	31/3/2024	31/12/2023
Other income	10 920 217	8 812 410
Provision no longer required	4 100 000	-
	15 020 217	**8 812 410**

26- Selling and marketing expenses

	31/3/2024	31/12/2023
Packaging materials	84 172 896	25 101 808
Salaries and wages	13 566 057	3 470 320
Depreciation	15 481 225	911 763
Products shipping and transportation expenses	22 541 846	5 428 970
Advertising	334 851	378 226
Other expenses	2 110 101	807 674
	138 206 976	**36 098 761**

*The increase in expenses over the comparative period is mostly due to the merged company's expenses.

27- General and administrative expenses

	31/3/2024	31/12/2023
Administrative salaries and wages	54 472 006	15 047 044
Contribution to comprehensive health insurance	32 720 124	9 581 710
Administrative depreciation	8 663 616	3 134 418
Public relations expenses	7 339 275	2 522 033
Allowances, travel and buffet expenses	4 344 174	2 481 332
Security and cleaning expenses	16 354 378	2 344 418
Government fees and subscriptions to foreign and local authorities	1 425 058	1 743 867
Electricity and water	726 052	1 058 954
Attendance allowances for BOD	792 500	312 000
Maintenance expenses	1 384 188	432 843
Insurance expenses	255 433	149 980
Professional and consulting fees	3 154 428	939 037
Other tax expenses	668 305	-
Bank charges	17 044 128	1 080 215
Other expenses	839 057	813 416
	150 182 722	**41 641 267**

*The increase in expenses over the comparative period is mostly due to the merged company's expenses.

28- Other Expenses

	31/3/2024	31/3/2023
Donation	7 212 994	1 160 460
Provisions formed	-	3 394 168
	7 212 994	**4 554 628**

29- Finance cost:

	31/3/2024	31/3/2023
Lease liability interest	1 506 044	443 964
Employee benefits obligation interest	11 284 393	-
	12 790 437	**443 964**

30- Finance income:

	31/3/2024	31/3/2023
Credit interest (subsidiary company's loan)	-	10 078 261
evenue from financial assets at amortized cost "Treasury bills"	83 788 150	61 754 142
evenue from financial assets at amortized cost" Government bonds"	129 416 824	-
evenue from financial assets at Fair value through profit or loss "investment unds"	56 858 270	-
Other credit interest	159 360 971	163 612 078
	429 424 215	**235 444 481**

31- Expected credit losses

	Note no.	31/12/2023	Formed	Reversed	31/3/2024
Cash and cash equivalent	(14)	4 298 827	12 049 887	-	16 348 714
Financial investments at amortized cost	(7)	-	211 349 682	-	211 349 682
Accounts receivable	(11)	383 354	60 922 975	-	61 306 329
Related parties	(13)	1 595 449	44 133	(403 776)	1 235 806
Debtors and other debit balances	(12)	756 004	2 498 023	-	3 254 027
Other financial assets	(9)	162 557	18 974 397	-	19 136 954
		7 196 191	**305 839 097**	**(403 776)**	**312 631 512**

* Expected credit losses on financial assets are calculated according to the expected credit loss model according Egyptian accounting standard no 47 .

32- Income tax

	31/3/2024	31/3/2023
Current income tax		
Current income tax	785 952 478	948 457 509
Independent tax base	16 757 630	12 350 828
Current income tax	**802 710 108**	**960 808 337**
Deferred income tax		
Fixed and other assets	(50 838 642)	(6 495 579)
Foreign currency translation differences	1 491 760 794	(211 903 754)
Provision for employee benefits obligation	(2 677 892)	-
Lease liability	1 281 476	(763 686)
Other Provisions	1 223 695	-
Provision for Expected credit losses	(70 342 090)	-
Deferred income tax	**1 370 407 341**	**(219 163 019)**
Income tax	**2 173 177 449**	**741 645 318**

Adjustments to calculate income tax effective tax rate:

	31/3/2024	31/3/2023
Profit before income tax	**9 821 327 175**	**4 669 686 491**
Income tax as per tax law "22.5%"	**2 209 798 614**	**1 050 679 460**
Non-deductible expenses	16 685 776	2 744 083
Revenue exempted from tax	(82 789)	(358 573 278)
Tax dividend collected	-	34 444 225
Independent tax pool	16 952 630	12 350 828
Provision	(70 236 782)	-
Current income tax	**2 173 117 449**	**741 645 318**
Effective tax rate	**22.13%**	**15.88%**

33- Basic and diluted earnings Per Share

	31/3/2024	31/3/2023
Net profit for the period	7 648 209 726	3 928 041 173
	7 648 209 726	3 928 041 173
Weighted average no. of shares	2 079 184 011	2 079 184 011
	3.68	**1.89**

-The Ordinary General Assembly, held on March 9, 2024 approved the following distributions :
-Dividend distribution to shareholders in the amount of 4 158 368 023 at 2 Egyptian pounds per share
-Dividend distributions for employees in the amount of 956 229 068 Egyptian pounds.
-Remuneration for members of the Board of Directors in the amount of 21 082 279 Egyptian pounds

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

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

	31/3/2024	31/3/2023
Time deposits	8 693 294 945	7 645 565 364
Financial assets at amortized cost	13 691 219 195	7 118 280 851
Financial assets at fair value through profit or loss	2 412 844 418	620 378 810
	24 797 358 558	**15 384 225 025**

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	470 399 525	22 305 310 590
EURO	468 303	23 944 501

Financial liability	Foreign currencies	Equivalent in Egyptian pound
USD	(16 526 829)	(783 611 106)
EURO	(9 118)	(466 459)

Below are the major foreign exchange rates

	Closing rate		Average rate	
	31/3/2024	**31/12/2023**	**31/3/2024**	**31/12/2023**
USD	47.4178	30.7989	35.6446	28.5308
EURO	51.1599	33.4321	39.4006	30.5550
Sterling pound	59.8555	37.9966	45.9251	34.6576

Response analysis :

The decline in the value of the Egyptian pound against other currencies on foreign currency balances on March 31, 2024 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 currency	the value of the effect of a 10% On the closing price at 31 march 2024
Dollar	2 313 512 210
Euro	2 394 452

- The Central Bank of Egypt decided, in its session held on March 6, 2024, to announce the implementation of a flexible exchange rate system for pricing foreign exchange, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on the conditions of supply and demand, and accordingly the exchange rate of the US dollar and other currencies increased in exchange for The Egyptian pound, which led to its increase from 30.88 to about 47.4178 Egyptian pounds at the end of March 31, 2024 Which led to differences in the translation of balances in foreign currencies to 7.8 billion Egyptian pounds

-The Central Bank raised interest rates on deposits and borrowing and set maximum limits on cash withdrawals and deposits in banks, which resulted in a decrease in exchange rates and availability of foreign currencies through official channels, which led to an increase in purchase costs and payment costs.

-The Central Bank issued a decision to raise the deposit and borrowing interest rates by 6% to reach 27.25 %and 28.25% respectively. The credit and discount rates were also raised by 6% to reach 27.75 %

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.

	Note no.	31/3/2024	31/12/2023
Financial assets at amortized cost	(7)	13 691 219 195	7 118 280 851
Financial assets at fair value through profit or loss	(8)	2 412 844 418	620 378 810
Other financial assets	(9)	883 406 033	588 141 794
Accounts receivable	(11)	604 619 271	727 877 314
Debits and other debit balances	(12)	440 772 720	240 052 060
Cash at banks and on hand	(14)	8 651 388 752	7 814 757 372
		26 684 250 389	**17 109 488 201**

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.

35- 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 December 31, 2024 amounted to 9 million US dollars, and the value of the cash cover withheld on account of those letters of guarantee and credit amounted to 100% of their value, which is included in other financial assets and the goods in transit.

36- 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 December 31, 2024. The following table shows these significant contracts:

	Total contract value as at 31/3/2024	Completed contracts as at 31/3/2024	Incomplete contracts as at 31/3/2024
Contracts in Egyptian pound	134 750 405	110 323 973	24 426 438
Contracts in USD	2 188 804	500 177	1 688 627
Contracts in EURO	6 500 000	-	6 500 000

37- Tax Position

A. 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.
- **Year 2022 till year 2023**
- The Company submitted the tax returns according to law No. 91 for year 2005 and its amendments in the legal due dates.

B. Salaries tax

– **Years from the beginning of the activity till year ended December 31, 2020**

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

- **Years from 2021 till 31/3/2024:**
- The Company is regularly deducting the tax and remitting it regularly on legal dates. Also, the company regularly applies the provisions of Law No. 91 of 2005 and its executive regulations, and Law No. 206 of 2020.

C. Stamp tax

Years from the beginning of the activity till year ended December 31, 2021

- The Company has been inspected, and the tax was paid.
- **Years from 1/2022 to 3/2024**
- The company is regulated in accordance with the provisions of the law 111 for year 1980

D. Sales tax and Value added tax

Years from the beginning of the activity till year ended December 31, 2021

- The Company has been inspected and the accrued additional tax differences were paid.
- **Years from 2022 till 31/3/2024:**
- The company regularly applies Law No. 67 of 2016 and Law No. 6 of 2020, and submits monthly value added tax returns on the legal due dates.

E. Property tax

- The company is subject to property tax starting from June 1, 2013:
  - Letter of the Kafr Al-Batikh Property tax office was received to enable them to conduct an inspection of the Company's industrial facilities.
  - The committee attended, and the inspection was conducted in light of a full explanation and description of the facilities.
  - The Company regularly pays the property tax.
  - The Prime Minister's Decision No. 61 of 2022 stipulated that the Ministry of Finance bear the full value of the tax on built-up properties used in the practice of 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.

Years from beginning of activity till 2012

The company was inspected and the tax was paid.

Years 2013/ 2016

The company were inspected and assessment was made.

Years 2017/2019

The company was inspected and the company appealed the forms of 19 taxes within the legal deadlines and the books were reinspected of the company was completed and the result of the re-inspection was issued under the re-inspection note.

Years 2020/2022

The company's tax return was submitted in accordance with the provisions of Law No. 91 of 2005 and its amendments within the legal deadlines and is being prepared for examination of these years.

Financial year 2023:

Preparations are underway to submit a tax return until the date of cancellation of the company's commercial register in accordance with the provisions of Law No. 91 of 2005 and its amendments within the legal deadlines.

B- Salaries tax

Years from beginning of activity to 2020

The company were inspected and the tax were paid.

From 1/1/2021 to 31/12/2022

The company is regular in deducting tax and submits it regularly on the legal dates in accordance with the provisions of Law No. 91 of 2005 and its executive regulations and Law No. 206 of 2020 and its amendments within the legal deadlines and is being prepared for examination of these years.

. **From 1/1/2023 to 13/12/2022**

The company is regular in deducting tax and submits it regularly on the legal dates in accordance with the provisions of Law No. 91 of 2005 and its executive regulations and Law No. 206 of 2020

C- Sales and value added tax:

Years from beginning of activity to 2015

The company was inspected and tax differences were settled

From 1/2016 to 12/2017:

The company was examined for these periods referred to and resulted in the company's failure to provide some export letters (Form No. 13 export) the issuance of Form 15 V.A.T with a tax entitlement of 48 million Egyptian pounds and the differences were settled from the credit balance and the company paid the rest of the examination differences in the amount of 26.6 million Egyptian pounds, the company appealed to Form 15 V.A.T and the dispute was referred to the internal committee, the company provided the aforementioned documents and the examination differences were reduced to the amount of 13,066,169 Egyptian Pound .

From 1/2018 to 12/2021

The company was examined for these periods referred to and forms 15 V.A.T were issued.

From 1/2022 to 12/2023

The company is regular in applying the provisions of Law No. 67 of 2016 and Law No. 206 of 2020 and submitting monthly VAT returns on the legal dates.

D- Stamp tax

From beginning of activity to 2020

The company was inspected and the tax was paid.

From 1/1/2021 to 13/12/2023

The company was not inspected to date.

E- Withholding tax

The company is regular in the application of the provisions of Law No. 91 of 2005 regarding deduction and collection under the tax account.

38- Disputes

38-1 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. / month), 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.

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.

38-2 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.

38-3 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.

39- 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) 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, and accordingly the distribution was as follows:

40- Significant Accounting policies applied

40-1 1Foreign currency translation

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

40-2 Fixed Assets and their depreciation

Recognition and measurement

- Fixed assets that are used in production, providing goods & services or for administrative purposes are stated at historical cost less accumulated depreciation and cumulative impairment losses resulted from impairment in the values of fixed assets. Cost includes expenditures that are directly attributable to the acquisition of the asset and necessary to have the asset ready for use in the purpose for which the management decided asset to be acquired for.

- When parts of an item of fixed assets have different useful lives, they are accounted for as items (major components) of fixed assets.
- Assets are stated in the construction phase for production or for rent or for administrative purposes at cost less cumulative impairment losses. Cost includes professional fees and all direct costs related to the asset. Depreciation of these assets starts when they are completed and prepared for use in a specific purpose.
- The cost of internal constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs to acquisition

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

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: -

	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.

40-3 Projects under construction

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

40-4 Other assets

A. Recognition

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

B. Measurement

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

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

C. Subsequent expenditures

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

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%

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

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

In the event that logical and fixed bases are used to distribute assets to cash-generating units, the general assets of the group are also distributed to those units. If this cannot be achieved, the general assets of the group are distributed to the smallest group of cash-generating units that the group can identify using logical and fixed basis.

With regard to intangible assets that do not have a specified default life or are not yet available for use, an annual test is conducted for impairment in their value, or as soon as there is any indication of the exposure of these assets to impairment.

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

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

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

40-6 Revenue from contracts with customers

- The company 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.

40-7 Financial Instruments

Financial assets

As of January 1, 2021, the company has early applied the new Egyptian Accounting Standard No. 47 "Financial Instruments".

Classification

As of January 1, 2021, the Company classifies its financial assets into the following measurement categories:

• Those that will subsequently be measured at fair value (either through other comprehensive income or through profit or loss), and

• Those that will be measured at amortized cost.

The classification depends on the company's business model for managing those financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at FVTOCI.

The Company reclassifies its investments when and only when its business model for managing those assets changes.

Recognition and disposal

The usual way of buying and selling financial assets, on the trade-off date, is the date on which the company commits to buy or sell the financial asset. A financial asset is de-recognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and benefits of the ownership of the financial asset are transferred.

Measurement

On initial recognition, the Company measures the financial asset at its fair value plus or minus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognized as an expense in the statement of profit or loss.

Financial assets that contain embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories by which the company classifies debt instruments:

• **Amortized cost**: Assets held to maturity to collect contractual cash flows, as those cash flows represent only payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and are classified under other income / (expenses). Impairment losses are presented as a separate line item in the statement of profit or loss.

• **Fair value through other comprehensive income**: Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where cash flows of assets represent only payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit or loss and recognized in other income / (expenses). Interest income from these financial assets is included in financing income using the effective interest rate method, and impairment expense is presented as a separate item in the statement of profit or loss.

• **Fair value through profit or loss**: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and presented net within other income / (expenses) in the period in which they arise.

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 obligations

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

Other financial obligations

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

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

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

Derecognition of financial instruments from the books

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

But if the transaction results in the company retaining substantially all the risks and benefits of ownership of the transferred financial asset, then the company continues to recognize the financial asset, provided it also recognizes the amounts received as a loan against the guarantee of that asset. Financial liabilities are derecognized when they are either settled, canceled or contractually expired.

Effective interest rate method

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

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

40-8 Lease contracts

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.

40-9 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.

40-10 Inventories

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

40-11 Cash and cash equivalent

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

40-12 Contingent liabilities and Provisions

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

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

40-13 Employee benefits

1-Employee benefits:

A-Short term Employee benefits:

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

40-14 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.

40-15 Legal reserve

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

40-16 Accounting for income tax

Income Taxes and deferred taxes

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

- The company's independent profit or loss statement is periodically charged with an estimated tax burden for each fiscal period, which includes both the current tax value and the deferred tax, provided that the actual tax burden is established at the end of each fiscal year.

- Deferred tax assets and liabilities represent the expected tax effects of the temporary differences resulting from the difference in the value of assets and liabilities according to tax rules and between the book values of those assets and liabilities according to the accounting principles used in preparing the financial statements.

- The current tax is calculated on the basis of the tax base determined according to the laws, regulations and instructions in force in this regard and using the tax rates in force at the date of preparing the financial statements, while the deferred tax value is determined using the tax rates expected to be applied in the periods during which the obligation will be settled or the asset will be used based on the tax rates and tax laws in force at the date of the financial statements.

- The deferred tax is recorded as an expense or revenue in the income statement, except for those related to items that are directly recorded within the equity, so the related deferred tax is also dealt directly within the equity.

- In general, all deferred tax liabilities (resulting from taxable temporary differences in the future) are recognized, while deferred tax assets (resulting from taxable temporary differences) are not recognized unless there is a strong probability or other convincing evidence of achieving sufficient tax profits in the future.

40-17 Segment report

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

40-18 Earnings per share

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

40-19 Statement of Cash Flows

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