MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)

EGYPTIAN JOINT STOCK COMPANY

THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2024

AND LIMITED REVIEW REPORT

Contents

Crowe

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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 at 30th June, 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. Unqualified 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 30th June, 2024, and of its financial performance and cash flows for the period then ended in accordance with Egyptian Accounting Standards.

Auditor

Khaled Hegazy

Dr. Khaled A.M. Hegazy
Fellow of the Egyptian Society of Accountants & Auditors
Accountants & Auditors Register "AAR" No. 10945
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Dated: 14th August, 2024

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Misr Fertilizers Production Company (Mopco)

Egyptian joint stock company

Periodical statement of financial position as at June 30, 2024

In Egyptian pound	DISC NO.	2024/06/30	2023/12/31
Assets			
Non-current assets			
Fixed assets & Projects under construction	(3)	34,817,527,315	35,606,433,627
Other assets & Projects under construction	(4)	45,451,682	45,251,573
Right of use assets	(5)	105,380,853	114,162,591
Investments in Associates	(6)	1,566,325	1,566,325
Financial assets at amortized cost	(7)	8,762,355,149	2,651,983,898
Other financial assets	(9)	912,606,337	588,141,794
Total non-current assets		**44,644,887,661**	**39,007,539,808**
Current assets			
Inventory	(10)	1,284,195,217	1,235,471,092
Accounts receivable	(11)	758,958,394	727,877,314
Financial assets at amortized cost	(7)	-	4,466,296,953
Financial assets at fair value through profit or loss	(8)	1,988,943,009	620,378,810
Debitors and other debit balances	(12)	388,554,912	240,052,060
suppliers "Advance payments"		76,455,552	77,024,326
Cash at banks and on hand	(14)	11,120,510,341	7,814,757,372
Total current assets		**15,617,617,425**	**15,181,857,927**
Total Assets		**60,262,505,086**	**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		7,889,562,509	7,889,562,509
Retained earnings		18,075,272,078	13,484,740,108
Total Equity		**48,321,373,745**	**43,252,727,241**
liabilities			
Non-current liabilities			
Lease Liabilities	(16)	182,364,914	127,711,334
Deferred tax liabilities	(21)	8,222,791,353	6,852,611,239
Non-current employee benefits obligations	(22)	329,342,265	307,457,991
Total non-current liabilities		**8,734,498,532**	**7,287,780,564**
Current liabilities			
Current income tax	(15)	1,316,747,657	2,613,879,927
Lease Liabilities	(16)	23,040,089	20,765,534
Trade Payables	(17)	400,062,323	241,425,813
Creditors and other credit balances	(18)	1,373,706,242	295,685,111
Advanced payments from customers (contract liability)		20,635,187	192,240,116
current employee benefits obligation	(22)	2,717,156	3,291,062
Provisions	(19)	69,724,155	281,602,367
Total current liabilities		**3,206,632,809**	**3,648,889,930**
Total liabilities		**11,941,131,341**	**10,936,670,494**
Total equity & liabilities		**60,262,505,086**	**54,189,397,735**

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

The company's vice president for financial & economic affairs

Accountant / Mohamed El-Shayeb

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limited review report "attached"

Chairman of Board of Directors & Managing Director

Engineer / Ahmed Mahmoud El-Sayed

Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

periodical Statement of profit or loss for the period ended June 30, 2024

In Egyptian pound	Notes	The six months ended on 2024/06/30	The six months ended on 2023/06/30	The three months ended on 2024/06/30	The three months ended on 2023/06/30
Net Sales	(23)	9,932,838,952	3,114,532,067	5,136,111,345	1,614,524,342
Cost of sales	(24)	(5,328,089,148)	(1,253,581,811)	(2,671,093,956)	(643,801,238)
Gross profit		**4,604,749,804**	**1,860,950,256**	**2,465,017,389**	**970,723,104**
Other income	(25)	28,662,130	11,514,377	13,641,913	2,701,967
Selling and marketing expenses	(26)	(276,410,178)	(72,838,782)	(138,203,202)	(36,740,021)
General and administrative expenses	(27)	(282,896,443)	(85,678,309)	(132,713,721)	(44,037,042)
Other expenses	(28)	(22,725,049)	(23,244,966)	(15,512,055)	(18,690,338)
(Formed) Reversal of expected credit losses	(31)	(362,528,762)	(288,815)	(57,093,441)	1,044,416
operating profit		**3,688,851,502**	**1,690,413,761**	**2,135,136,883**	**875,002,086**
Finance income	(30)	1,150,440,110	427,438,375	721,015,895	191,993,894
Finance costs	(29)	(26,357,957)	(976,813)	(13,567,520)	(532,849)
Foreign currency translation gains		8,145,465,233	2,116,559,194	294,486,455	28,139,331
Net finance income		**9,269,547,386**	**2,543,020,756**	**1,001,934,830**	**219,600,376**
company's share of the "subsidiary's dividends"		-	1,530,854,436	-	-
Net profit for the period before income tax		**12,958,398,888**	**5,764,288,953**	**3,137,071,713**	**1,094,602,462**
Income tax	(32)	(2,754,073,014)	(988,518,079)	(580,955,565)	(246,872,761)
Net profit for the period after income tax		**10,204,325,874**	**4,775,770,874**	**2,556,116,148**	**847,729,701**
Basic and diluted earnings per share	(33)	4.91	2.30	1.23	.41

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

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Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

Periodical statement of other Comprehensive income for the period ended June 30, 2024

In Egyptian Pound	The six months ended on 2024/06/30	The six months ended on 2023/06/30	The three months ended on 2024/06/30	The three months ended on 2023/06/30
Net profit for the period	10,204,325,874	4,775,770,874	2,556,116,148	847,729,701
Other items of comprehensive income				
Total other comprehensive income for the period	10,204,325,874	4,775,770,874	2,556,116,148	847,729,701
Transferred to retained earnings	-	-	-	-
Total other comprehensive income for the period	10,204,325,874	4,775,770,874	2,556,116,148	847,729,701

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Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

periodical Statement of change in equity for the period ended June30, 2024

In Egyptian pound	Capital	Legal reserve	General reserves	Retained earnings	Result of merged company	Total
Balance at 1 January 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	-	-	-	4,775,770,874	-	4,775,770,874
Total comprehensive income	-	-	-	**4,775,770,874**	-	**4,775,770,874**
Transferred to legal reserve	-	191,725,901	-	(191,725,901)	-	-
Transactions with the owners of the company						
Dividends to employees and board of directors	-	-	-	(214,115,742)	-	(214,115,742)
Dividends to shareholders	-	-	-	(3,436,758,480)	-	(3,436,758,480)
Total transactions with the owners of the company	-	-	-	**(3,650,874,222)**	-	**(3,650,874,222)**
Balance at June 30, 2023	**2,291,172,320**	**734,200,772**	**352,383,742**	**8,890,545,461**	-	**12,268,302,295**
Balance at January 1, 2024	**20,791,840,110**	**734,200,772**	**352,383,742**	**13,484,740,108**	**7,889,562,509**	**43,252,727,241**
Comprehensive income						
Net profit of the year	-	-	-	10,204,325,874	-	10,204,325,874
Total comprehensive income	-	-	-	**10,204,325,874**	-	**10,204,325,874**
Transferred to legal reserve	-	478,114,534	-	(478,114,534)	-	-
Transactions with the owners of the company						
Dividends to employees and board of directors	-	-	-	(977,311,349)	-	(977,311,349)
Dividends to shareholders	-	-	-	(4,158,368,021)	-	(4,158,368,021)
Total transactions with the owners	-	-	-	**(5,135,679,370)**	-	**(5,135,679,370)**
Balance at June 30, 2024	**20,791,840,110**	**1,212,315,306**	**352,383,742**	**18,075,272,078**	**7,889,562,509**	**48,321,373,745**

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

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Misr Fertilizer Production Company (Mopco)

Egyptian joint stock company

periodical statement of cash flows For the period ended June 30, 2024

In Egyptian pound

	Notes	2024/06/30	2023/06/30
Cash flows from operating activities			
Net profit for the period before tax		**12,958,398,888**	**5,764,288,953**
Adjustment as follows:			
fixed assets depreciation	(3)	1,102,956,863	81,694,163
Amortization of other assets and right of use assets	(5،4)	9,317,756	2,545,220
Provisions formed		-	7,636,181
Provisions no longer required		(10,000,000)	-
Company's share in the subsidiary dividends		-	(1,530,854,436)
Formed /(reversal) of expected credit losses	(31)	362,528,762	288,815
Net finance income	(30)	(1,124,082,153)	(426,461,562)
unrealized foreign currency translation changes		(8,216,967,228)	(1,860,637,983)
		5,082,152,888	**2,038,499,351**
change in:			
change in other financial assets			
Inventory		(48,723,283)	12,020,022
Account receivable		(49,742,070)	186,626,205
debtors and other debit balances		(163,413,829)	(26,317,218)
Due from related parties		225,136	(87,139,296)
Suppliers (advance payment)		568,774	(10,243,706)
Trade payable		158,636,510	(142,649,522)
Creditors and other credit balances		1,078,072,827	(91,135,025)
advance payments from customers (lease liability)		(171,604,929)	38,481,960
Provisions used		(201,878,212)	-
Cash flows generated from operating activities		**5,684,293,812**	**1,918,142,771**
Dividends paid to Employees and the board of directors		(977,311,349)	(213,069,850)
Income taxes paid		(2,680,959,879)	(1,009,290,759)
Paied for employee benefits		(1,312,163)	-
Net Cash flows generated from operating activities		**2,024,710,421**	**695,782,162**
cash flows from Investing activities			
received Interest		407,735,273	402,262,430
Proceeds from the subsidiary company's loans		-	3,865,121,489
Proceeds for the sale at amortized cost		6,831,884,469	-
payment for investment purchase at amortized cost		(2,968,877,771)	
payment for the purchase of financial assets through profit or loss		(1,205,607,120)	-
payment for the purchase of fixed assets, works ,projects under construction and other assets		(318,696,351)	(68,363,341)
Net cash flows generated from investing activities		**2,746,438,500**	**4,199,020,578**
cash flows from Financing activities			
dividends paid to Shareholders		(4,158,420,323)	(3,436,799,829)
Debit paid interest		(3,735,426)	(976,813)
Payment of lease liabilities		(20,247,592)	(3,307,289)
Net cash flows used in financing activities		**(4,182,403,341)**	**(3,441,083,931)**
Net changes in cash and cash equivalents		**588,745,580**	**1,453,718,809**
The effect of changes in exchange rates on cash and cash equivalents		2,868,842,958	1,325,862,225
Cash and cash equivalent at the beginning of the period		7,814,757,372	4,384,347,061
Cash and cash equivalent at the end of the period	(14)	**11,272,345,910**	**7,163,928,095**
Expected credit loss on cash and cash equivalents		**(151,835,569)**	**(315,484)**
Cash and cash equivalents at the end of the period as Financial position		**11,120,510,341**	**7,163,612,611**

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

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Translation of financial statements
originally issued in Arabic

ISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
THE NOTES OF THE PERIODICAL FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED Jun 30, 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 ended on 27/07/2048, and this was noted in the company's commercial register on 31/05/2023.

1-4 The Company's Headquarters:

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

2- Basics for preparation of financial statements

2-1 Compliance with accounting standards and laws

- The financial statements have been prepared in accordance with the Egyptian accounting standards and the related Egyptian law and regulations.
- The board of directors approved the issuance of the financial statements on August 13,2024

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.

Misr Fertilizer Production Company (Mopco)

notes to the periodical financial statement for the period ended at June 30, 2024

3- Fixed assets & Projects under construction

Description	Land	Building & constructions	Machinery and equipment	Vehicles	Tools	Furniture & Fixtures	Computers	Projects under construction	Total
In Egyptian pound									
Cost									
Cost at 1 January 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**
Disposal	–	–	–	(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 at 31 December 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	–	–	**83,822,790**	**37,653,955**	**3,122,192**	**970,335**	**6,242,511**	**186,148,439**	**317,960,221**
Disposal	–	–	–	–	–	–	–	**(3,909,670)**	**(3,909,670)**
Transferred from projects under construction	–	**20,720,800**	**94,285,402**	–	–	–	**717,595**	**(115,723,797)**	–
Cost at 30 June 2024	**262,021,195**	**458,339,932**	**51,542,476,489**	**140,810,217**	**91,975,581**	**37,529,454**	**133,916,750**	**267,908,508**	**52,934,978,125**
Accumulated depreciation									
Accumulated depreciation 1 January 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 assets	–	**2,576,456**	**14,838,873,127**	**45,123,042**	**11,570,912**	**8,804,118**	**54,605,132**	–	**14,961,552,787**
Cost of the year	–	23,084,963	217,500,785	3,863,959	4,652,468	1,883,844	9,923,425	–	**260,909,444**
Disposal	–	–	–	(109,900)	(268,540)	(289,332)	(278,757)	–	**(946,529)**
Accumulated depreciation as at 31 December 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 at 1 January 2024	–	106,565,408	16,684,045,557	68,615,627	43,677,736	19,405,648	92,183,971	–	17,014,493,947
Depreciation of the period	–	12,943,766	1,064,962,307	9,934,928	5,043,778	1,588,316	8,483,768	–	1,102,956,863
Disposal	–	–	–	–	–	–	–	–	–
Accumulated depreciation as at 30 June 2024	–	119,509,174	17,749,007,864	78,550,555	48,721,514	20,993,964	100,667,739	–	18,117,450,810
Net fixed assets at 1 January 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 fixed assets at 31 December 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 fixed assets at 30 June 2024	**262,021,195**	**338,830,758**	**33,793,468,625**	**62,259,662**	**43,254,067**	**16,535,490**	**33,249,011**	**267,908,508**	**34,817,527,315**
The depreciated assets are book and still working									**274,312,057**

(All amounts in Egyptian pound)

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

	30/6/2024	31/12/2023
Building and roads	-	10 075 000
Machine and equipment	109 497 132	130 389 228
Computers	-	213 479
Advance payment	66 684 783	27 062 237
Letters of credit	91 726 593	33 653 592
Total	**267 908 508**	**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 30/6/2024	**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**	**-**	**27 834 463**
Amortization during the period	-	536 019	-	-	**536 019**
Accumulated amortization as at 30/6/2024	**5 000 000**	**14 413 360**	**8 957 122**	**-**	**28 370 482**
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 30/6/2024	**-**	**1 214 012**	**-**	**44 237 670**	**45 451 682**
Amortized assets and still in use	-	-	-	-	**13 957 122**

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

	30/6/2024	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:

In Egyptian Pound

Cost	Amount
Cost as at 1/1/2024	166 853 016
Addition during the Period	-
Cost as at 30/6/2024	**166 853 016**
Accumulated amortization	
Accumulated amortization as at 1/1/2024	52 690 426
Amortization expense during the Period	8 781 737
Accumulated amortization as at 30/6/2024	**61 472 163**
Net book value as at 31/12/2023	**114 162 591**
Net book value as at 30/6/2024	**105 380 853**

6- Investment in associate at FVTOCI

	30/6/2024 Value	31/12/2023 Value
Damietta for Green Ammonia Company	**1 566 325**	**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 25% in it together with the Egyptian Petrochemicals Holding Company and Scatec Norwegian company.
- Investments in the company at June 30, 2024 amounted to 1 566 325 .
- The company purpose is to produce green ammonia.
- The project is located in the public free zone in New Damietta.
  - On June 29, 2024, a non-binding memorandum of understanding was signed regarding the principles of the agreement to purchase green ammonia between the Yara Norwegian company and the Damietta Green Ammonia Company in the city of Damietta, in which both the Egyptian Petrochemical Holding Company "EKEM", which owns 31.47% of the capital, MOPCO and the Misr Company, contributed. for the production of fertilizers "MOPCO" and the Norwegian company Eskatec, in the presence of

(All amounts in Egyptian pound)

Mr. Engineer / Prime Minister, Mr. Engineer, Minister of Petroleum and Mineral Resources, Mr. Dr. / Minister of Electricity and Renewable Energy, Mrs. Dr. Minister of Planning and Economic Development, Mrs. Dr. / Minister of International Cooperation, and Mr. Engineer / Chairman of the Board of Directors of the Egyptian Petrochemical Company. "Ekem" and Mr. Engineer/Chairman of the Board of Directors of the Misr Fertilizer Production Company "MOPCO".

- This agreement reflects confidence in the project and the investment climate in Egypt. The initial investment cost of the project amounts to $890 million with a production capacity up to 150,000 tons of green ammonia annually through the generation of renewable energy with a total capacity up to 480 megawatts. The project aims to produce green ammonia using the production capacities available at the Egyptian Fertilizers Production Company (Mopco). Operation is expected to start in 2027. The project comes within the framework of implementing the state's policy of using renewable energy sources and reducing carbon emissions.

7- Investment at amortized cost

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

	30/6/2024	31/12/2023
Government Bonds	9 622 962 267	2 925 342 525
Unearned returns (amortized cost)	(670 790 909)	(273 358 627)
	8 952 171 358	**2 651 983 898**
Expected credit losses	(189 816 209)	-
Net book value	**8 762 355 149**	**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):

	30/6/2024	31/12/2023
Government bonds at par value	-	1 906 440 052
Time deposits	-	2 586 966 120
	-	**4 493 406 172**
Unearned returns (amortized cost)	-	(27 109 219)
Net book value	**-**	**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.

(All amounts in Egyptian pound)

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

	30/6/2024			31/12/2023		
	Before revaluation	**After revaluation**	**Change**	**Before revaluation**	**After revaluation**	**Change**
Investment fund	1 953 370 767	1 988 943 009	35 572 242	614 872 688	620 378 810	5 506 122
	1 953 370 767	**1 988 943 009**	**35 572 242**	**614 872 688**	**620 378 810**	**5 506 122**

9- Other financial assets

	Note no	30/6/2024	31/12/2023
Letters of guarantee *		73 667 844	47 421 351
Pledged Deposits **		360 214 500	231 807 000
Frozen Deposits***		480 286 000	309 076 000
		914 168 344	**588 304 351**
Expected credit losses	(31)	(1 562 007)	(162 557)
		912 606 337	**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 favor of EGAS company according to gas import agreement with the merged company.

10- Inventory

	30/6/2024	31/12/2023
Spare parts	700 725 433	677 344 809
Finished goods at cost	276 672 276	440 222 646
Work in process at cost	258 353 202	174 024 829
Supplies	103 648 781	81 612 529
Goods in transit	219 466 521	136 833 203
Raw material	32 051 262	35 859 778
Oils and fuels	4 240 630	536 186
	1 595 158 105	**1 546 433 980**
Accumulated impairment inventory	(310 962 888)	(310 962 888)
Net Book Value	**1 284 195 217**	**1 235 471 092**

(All amounts in Egyptian pound)

11- Accounts receivable

	Note no.	30/6/2024	31/12/2023
Accounts receivable		778 002 739	728 260 668
Expected credit losses	(31)	(19 044 345)	(383 354)
		758 958 394	**727 877 314**

12- Debtors and other debit balances

	Note no.	30/6/2024	31/12/2023
Accrued credit interest		17 880 622	35 659 354
Employees' advances and Installments		48 378 019	29 756 368
Deposits with others		10 018 099	9 972 099
Other debtors		8 522 858	2 196 945
Accounts Receivable with Tax Authority		167 005893	149 856 968
Prepaid expenses		4 363 169	13 366 330
Employee funds		134 183 936	-
		390 352 596	**240 808 064**
Expected credit losses	(31)	(1 797 684)	(756 004)
		388 554 912	**240 052 060**

13- Transactions with related party

A- Related parties represent:

- Egyptian Petrochemicals Holding Company "ECHEM" — Major shareholder by 31.47 %
- Egyptian Natural Gas Holding CO." EGAS" — Major shareholder by 9.07 %
- Egyptian Natural Gas Holding CO." GASCO" — Major shareholder by 0.48 %
- Misr Insurance Company — Affiliate company by 1.15 %
- Suez Methanol Derivatives Company — A demerged company (subsidiary to the holding company of petrochemicals)

B- Related parties' transactions

The following is a summary of transactions with related parties:

Description	Nature of transactions	The financial year ended in 30/6/2024	30/6/2023
Misr Insurance Company	Insurance services	34 434 119	10 169 796
Egyptian Natural Gas Holding CO." EGAS"	Gas Supplier	2 370 807 785	-
Egyptian Natur0al Gas Holding CO." GASCO"	Gas Supplier	998 631 917	956 278 856
Suez Methanol Derivatives Company	Services rendered / Payments on behalf of the company.	670 660	1 207 840
Egyptian Nitrogen Products Company	Payments on behalf of the company/cost and expense apportionment agreement	-	66 741 059
	Loan interest	-	10 078 262
	Dividends "Equivalent in EGP"	-	1 544 784 431

* 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

	Note no.	30/6/2024	31/12/2023
			-
Suez Methanol Derivatives Company		1 370 313	1 595 449
Expected credit losses	(31)	(1 370 313)	(1 595 449)
		-	-

14- Cash at banks and on hand

In Egyptian pound	Note no.	30/6/2024	31/12/2023
Banks current accounts		3 370 752 948	173 490 835
Time Deposits (less than three months)		7 905 891 789	7 645 565 364
		11 276 644 737	**7 819 056 199**
Expected credit losses	(31)	(156 134 396)	(4 298 827)
		11 120 510 341	**7 814 757 372**

15- Current income tax

	30/6/2024	31/12/2023
Current income tax	1 366 599 132	2 695 901 184
Payments on account of tax	-	(3 374 634)
Withdraw on account of tax	(49 851 475)	(78 646 623)
Balance	**1 316 747 657**	**2 613 879 927**

16- Lease liabilities

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

	30/6/2024	31/12/2023
Merging company beginning balance	148 476 868	142 814 053
Interest during the year	3 735 426	2 142 560
Translation difference	77 175 727	12 569 267
Payments during the year	(23 983 018)	(9 049 012)
	205 405 003	**148 476 868**
Non-Current lease liability	182 364 914	127 711 334
current lease liability	23 040 089	20 765 534
	205 405 003	**148 476 868**

17- Trade Payables

	30/6/2024	31/12/2023
*Egyptian Natural Gas Holding CO." EGAS"	188 459 862	6 763 264
**Gas supplier (GASCO)	74 773 710	88 025 393
Other suppliers	136 828 751	146 637 156
	400 062 323	**241 425 813**

*Egyptian Natural Gas Holding Co. "EGAS "shareholder of the company with share percentage of 9.07%.

(All amounts in Egyptian pound)

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

18- Creditors and other credit balances

	30/6/2024	**31/12/2023**
Deposits from others	33 864 946	33 810 865
General Authority for Health Insurance	48 467 744	54 506 407
Value added tax	4 889 225	898 852
Due to the minor shareholders from shares selling auction	6 901 741	6 903 626
Shareholder dividends payable	3 653 712	3 706 014
Other credit balances	15 804 236	8 440 686
Credit balances to other companies	41 745 595	40 698 247
Due to the General Petroleum Corporation*	1 062 205 064	-
Salary tax	12 814 302	36 912 421
Accrued social insurance	4 316 020	3 651 274
Accrued expenses	2 561 783	103 924 972
Withholding tax	2 297 938	2 231 747
Employees' credit balances	134 183 936	-
	1 373 706 242	**295 685 111**

*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 30/6/2024**
Claims provision*	281 602 367	-	(201 878 212)	(10 000 000)	69 724 155
	281 602 367	**-**	**(201 878 212)**	**(10 000 000)**	**69 724 155**

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

(All amounts in Egyptian pound)

B- Issued and paid-up Capital

- The issued and paid-up capital as of June 30, 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 September 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 shares 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 EGP
Egyptian Petrochemicals Holding Co. "ECHEM"	31.47%	654 380 645	6 543 806 450
The Saudi Egyptian Investment Company	24.83%	516 363 663	5 163 636 630
Abu Dhabi Investment Holding Company (Alfa Oryx Limited)	20%	415 836 798	4 158 367 980
Egyptian Natural Gas Holding Co. "EGAS"	9.07%	188 657 495	1 886 574 950
The Arab Petroleum Investments Corp. "APICORP"	3.03%	63 072 153	630 721 530
Misr insurance company	1.15%	23 865 313	238 653 130
Egyptian Natural Gas Holding CO." GASCO"	0.48%	10 000 000	100 000 000
IPO	9.97%	207 007 944	2 070 079 440
	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''.

21- Deferred Tax liabilities

	30/6/2024	31/12/2023
Fixed assets and other assets of the merging company	6 605 451 647	6 698 713 265
Foreign currency exchange differences	1 846 141 775	298 706 880
Employee benefits provision	(74 713 370)	(69 918 537)
Impairment in the value of inventory	(69 966 649)	(69 966 649)
Provisions	(933 935)	(3 700 025)
Lease liabilities	-	(1 223 695)
Provision for Expected credit losses	(83 188 115)	-
	8 222 791 353	**6 852 611 239**

(All amounts in Egyptian pound)

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.

	30/6/2024	31/12/2023
Balance in 1 Jan 2024	310 749 053	248 161 494
Current service cost	-	35 159 004
Interest expense	22 622 531	28 903 630
Payments	(1 312 163)	(1 475 075)
	332 059 421	**310 749 053**
Employee benefits obligation (current)	2 717 156	3 291 062
Employee benefits obligation (non-current)	329 342 265	307 457 991
	332 059 421	**310 749 053**

22-2 Amounts recognized in profit or loss statement:

	30/6/2024	30/6/2023
Current service cost	-	-
Interest expense	22 622 531	-
	22 622 531	**-**

-Actuarial assumptions:

	30/6/2024	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 years:

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

-Sensitivity analysis of actuarial assumptions:

	Change in assumptions		Change in 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)

(All amounts in Egyptian pound)

23- Net Sales

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Domestic Sales	2 077 124 517	1 188 172 188	875 214 298	1 242 048 618
Export Sales	7 855 714 435	1 926 359 879	4 260 897 047	372 475 724
	9 932 838 952	**3 114 532 067**	**5 136 111 345**	**1 614 524 342**

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.

	30/6/2024			30/6/2023		
	Urea	**Ammonia**	**Total**	**Urea**	**Ammonia**	**Total**
Domestic	1 652 695 915	424 428 602	**2 077 124 517**	749 542 570	438 629 618	**1 188 172 188**
Export	7 296 582 596	559 131 839	**7 855 714 435**	1 890 881 182	35 478 697	**1 926 359 879**
	8 949 278 511	**983 560 441**	**9 932 838 952**	**2 640 423 752**	**474 108 315**	**3 114 532 067**

24- Cost of Sales

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Gas	3 485 101 961	981 841 368	1 750 742 830	488 301 969
Other materials *	265 910 013	74 164 880	128 723 673	41 530 497
Salaries and wages	293 154 221	67 874 460	160 993 075	40 863 958
Depreciation and amortization	1 078 572 157	78 280 490	539 904 566	41 909 549
Security expenses	36 375 882	12 063 836	16 140 374	7 921 938
Factory insurance expenses	34 664 086	10 205 987	7 195 195	5 269 259
Maintenance expenses	82 769 945	19 928 394	37 340 580	13 410 110
Governmental fees and	5 376 266	3 316 217	1 962 839	1 107 712
Transportation expenses	20 342 902	4 522 274	13 245 883	3 412 493
Other expenses	25 821 715	1 383 905	14 844 941	73 753
	5 328 089 148	**1 253 581 811**	**2 671 093 956**	**643 801 238**

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

(All amounts in Egyptian pound)

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

25- Other income

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Other income	18 662 130	11 514 377	7 741 913	2 701 967
Provision no longer required	10 000 000	-	5 900 000	-
	28 662 130	**11 514 377**	**13 641 913**	**2 701 967**

26- Selling and marketing expenses

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Packaging materials	151 619 194	46 518 362	67 446 298	21 416 554
Salaries and wages	30 096 264	8 411 138	16 530 207	4 940 818
Depreciation	31 002 945	1 823 526	15 521 720	911 763
Products shipping and transportation expenses	57 631 863	13 658 037	27 457 859	8 229 067
Advertising	372 307	526 316	37 456	148 090
Other expenses	5 687 605	1 901 403	11 209 662	1 093 729
	276 410 178	**72 838 782**	**138 203 202**	**36 740 021**

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

27- General and administrative expenses

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Administrative salaries and wages	119 553 674	36 464 080	65 081 668	21 417 036
Contribution to comprehensive health insurance	48 118 516	14 175 514	15 398 392	4 593 804
Administrative depreciation	18 736 533	6 265 576	10 072 917	3 131 158
Public relations expenses	10 585 076	3 468 804	3 245 801	946 771
Allowances, travel and buffet expenses	8 584 911	4 142 804	4 240 737	1 661 472
Security and cleaning expenses	26 386 823	3 981 558	10 032 445	1 637 140
Government fees and subscriptions to foreign and local authorities	2 142 721	4 147 977	717 663	2 404 110
Electricity and water	2 474 803	1 670 755	1 748 751	611 821
Attendance allowances for BOD	999 500	737 500	207 000	425 500
Maintenance expenses	3 380 781	1 885 599	1 996 593	1 452 756
Insurance expenses	285 443	176 829	30 010	26 849
Professional and consulting fees	4 436 726	5 287 273	1 282 298	4 348 236
Other tax expenses	7 399 457	668 304	6 731 152	668 304
Bank charges	26 761 965	-	9 717 837	-
Other expenses	3 049 514	2 605 736	2 210 457	712 085
	282 896 443	**85 678 309**	**132 713 721**	**44 037 042**

(All amounts in Egyptian pound)

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

28- Other Expenses

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Donation	22 725 049	15 608 785	15 512 055	14 448 325
Provisions formed	-	7 636 181	-	4 242 013
	22 725 049	**23 244 966**	**15 512 055**	**18 690 338**

29- Finance cost:

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Lease liability interest	3 735 426	976 813	2 229 382	532 849
Employee benefits obligation interest	22 622 531	-	11 338 138	-
	26 357 957	**976 813**	**13 567 520**	**532 849**

30- Finance income:

	The six months ended 30/6/2024	The six months ended 30/6/2023	The three months ended 30/6/2024	The three months ended 30/6/2023
Credit interest (subsidiary company's loan)	-	10 078 261	-	-
Revenue from financial assets at amortized cost "Treasury bills"	86 142 438	79 061 237	2 354 288	17 307 095
Revenue from financial assets at amortized cost" Government bonds"	597 526 489	-	468 109 665	-
Revenue from financial assets at Fair value through profit or loss "investment funds"	162 957 079	-	106 098 809	-
Other credit interest	303 814 104	338 298 877	144 453 133	174 686 799
	1 150 440 110	**427 438 375**	**721 015 895**	**191 993 894**

31- Expected credit losses

	Note no.	01/01/2024	Formed	Reversed	30/6/2024
Cash and cash equivalent	(14)	4 298 827	151 835 569	-	156 134 396
Financial investments at amortized cost	(7)	-	189 816 209	-	189 816 209
Accounts receivable	(11)	383 354	18 660 991	-	19 044 345
Related parties	(13)	1 595 449	178 640	(403 776)	1 370 313
Debtors and other debit balances	(12)	756 004	1 041 680	-	1 797 684
Other financial assets	(9)	162 557	1 399 450	-	1 562 007
		7 196 191	**362 932 539**	**(403 776)**	**369 724 954**

(All amounts in Egyptian pound)

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

32- Income tax

Current income tax	**The six months ended 30/6/2024**	**The six months ended 30/6/2023**	**The three months ended 30/6/2024**	**The three months ended 30/6/2023**
Current income tax	1 366 599 132	1 192 140 240	580 646 654	243 682 731
Independent tax base	17 228 488	15 812 247	470 858	3 461 419
Tax differences	65 280	-	65 280	-
Current income tax	**1 383 892 900**	**1 207 952 487**	**581 182 792**	**247 144 150**
Deferred income tax				
Fixed and other assets	(93 261 618)	(13 113 607)	(42 422 976)	(6 618 028)
Foreign currency exchange differences	1 547 434 895	(204 607 163)	55 674 101	7 296 591
Provision for employee benefits obligation	(4 794 833)	-	(2 116 941)	-
Other Provisions	2 766 090	(1 713 638)	1 484 614	(949 952)
Lease liability	1 223 695	-	-	-
Provision for Expected credit losses	(83 188 115)	-	(12 846 025)	-
Deferred income tax	**1 370 180 114**	**(219 434 408)**	**(227 227)**	**(271 389)**
Income tax	**2 754 073 014**	**988 518 079**	**580 955 565**	**246 872 761)**

Adjustments to calculate income tax effective tax rate:

	30/6/2024	**30/6/2023**
Profit before income tax	**12 958 398 888**	**5 764 288 953**
Income tax as per tax law "22.5%"	**2 915 639 750**	**1 296 965 014**
Non-deductible expenses	11 695 627	59 169 771
Revenue exempted from tax	(190 490 851)	(419 849 709)
Tax dividend collected	-	34 444 225
Independent tax pool	17 228 488	17 788 778
income tax	**2 754 073 014**	**988 518 079**
Effective tax rate	**21.25%**	**17.15%**

33- Basic and diluted earnings Per Share

	The six months ended 30/6/2024	**The six months ended 30/6/2023**	**The three months ended 30/6/2024**	**The three months ended 30/6/2023**
Net profit for the period	**10 204 325 874**	**4 775 770 874**	**2 556 116 148**	**847 729 701**
Weighted average no. of shares	2 079 184 011	2 079 184 011	2 079 184 011	2 079 184 011
	4.91	**2.30**	**1.23**	**0.41**

-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

	30/6/2024	**31/12/2023**
Time deposits	7 905 891 789	7 645 565 364
Financial assets at amortized cost	8 952 171 358	7 118 280 851
Financial assets at fair value through profit or loss	1 988 943 009	620 378 810
	18 847 006 156	**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	443 957 627	21 322 663 284
EURO	500 286	25 743 167

Financial liability	Foreign currencies	Equivalent in Egyptian pound
USD	4 732 007	227 271 671
EURO	167 775	8 633 181

Below are the major foreign exchange rates

	Closing rate		Average rate	
In Egyptian pound	**30/6/2024**	**31/12/2023**	**30/6/2024**	**30/6/2024**
USD	48.0286	30.9076	39.2035	29.6983
EURO	51.4569	33.4321	42.4054	32.0310
Sterling pound	60.7130	37.9966	49.5686	36.5405

Response analysis :

The decline in the value of the Egyptian pound against other currencies on foreign currency balances on June 30, 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 30 Jun 2024
Dollar	2 101 537 808
Euro	2 574 314

- 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 48.0286 Egyptian pounds at the end of Jun 30, 2024 Which led to differences in the translation of balances in foreign currencies to 8.15 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.

In Egyptian pound	**Note no.**	**30/6/2024**	**31/12/2023**
Financial assets at amortized cost	(7)	8 762 355 149	7 118 280 851
Financial assets at fair value through profit or loss	(8)	1 988 943 009	620 378 810
Other financial assets	(9)	912 606 337	588 141 794
Accounts receivable	(11)	758 958 394	727 877 314
Debits and other debit balances	(12)	388 554 912	240 052 060
Cash at banks and on hand	(14)	11 120 510 341	7 814 757 372
		23 931 928 142	**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 Jun 30, 2024 amounted to 21 million US dollars, amounted to 2 million EURO and the value of the cash cover withheld on account of those letters of guarantee and credit amounted to 100% of their value, which is included in other financial assets and the goods in transit.

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 June 30, 2024. The following table shows these significant contracts:

	Total contract value as at 30/6/2024	**Completed contracts as at 30/6/2024**	**Incomplete contracts as at 30/6/2024**
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

First: Corporate Tax

– Misr Fertilizers Production Company- MOPCO, an Egyptian joint stock company, was established under the provisions of law no. 8 of 1997. The Company was registered in the commercial register under the no. 33300 Suez on the date July 26, 1998, with Tax registration number 205/022/790 and accounted for through the center of key taxpayers.

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

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

Year 2022 till year 2023

The Company submitted the tax returns according to law No. 91 for year 2005 and its amendments in the legal due dates, and paid.

Second: Salaries tax

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

The Company has been inspected and the tax was paid.

Years from 1/1/2023 till 30/6/2024:

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.

Third: 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 1/1/2022 to 30/6/2024

- The company is regulated in accordance with the provisions of the law 111 for year 1980

Fourth :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 30/6/2024:

- 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.

Fifth: Property tax

-The company is subject to property tax starting from July 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.
- The company was marked with delisting from the commercial register on 12 December 2023

Years from beginning of activity till 2019

The company was inspected and the tax was paid.

Years 2020/2023

-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.

-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.

-Preparations are underway to examine these years

B- Salaries tax

Years from beginning of activity to 2022

The company were inspected and the tax were paid.

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

The company is regular in 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 12/2021

The company was inspected and tax differences were settled.

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

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.

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

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

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

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

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) 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 Foreign currency translation

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

40-2 Fixed Assets and their depreciation

Recognition and measurement

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

Subsequent costs to acquisition

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

Depreciation

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

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

(All amounts in Egyptian pound)

- 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:

Recognition and Initial Measurement:

On initial recognition, financial assets are classified according to the business model in which those financial assets are managed and their contractual cash flows, according to one of the following categories:
(1) Debt instruments at amortized cost.
(2) Debt instruments at fair value through other comprehensive income, "with profits or losses being reclassified to the statement of profit or loss upon disposal."
(3) Equity instruments at fair value through other comprehensive income, "without reclassifying profits or losses to the statement of profit or loss upon disposal."
(4) Financial assets at fair value through profit or loss, including equity instruments and derivatives.

Debt Instruments at Amortized Cost:

A financial asset is measured at amortized cost if it meets the following two conditions, and is not measured at fair value through profit or loss:
The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
The contractual terms of the financial assets give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount repayable.

Debt instruments at fair value through other comprehensive income:

Debt instruments are measured at fair value through other comprehensive income (with profits or losses being reclassified to the statement of profit or loss upon disposal) only if the following two conditions are met and were not measured at fair value through profit or loss:
The asset is held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and
The contractual terms of the financial assets give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount repayable.

Debt instruments at fair value through other comprehensive income:

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

Financial assets at fair value through profit or loss:

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

Subsequent measurement:

Debt Instruments at Amortized Cost:

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

Debt instruments at fair value through other comprehensive income:

Debt instruments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. Interest income and foreign exchange gains and losses are recognized in the statement of profit or loss in the same way for financial assets measured at amortized cost.
The method for calculating the expected credit losses for debt instruments at fair value through other comprehensive income. When a company has more than one investment in the same security, it is considered to have been disposed of

on a first-in, first-out basis. On derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to the statement of profit or loss.

Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value. Changes in fair value are recognized in the statement of profit or loss. The interest earned on assets that are obligatory to be measured at fair value is also recognized in the statement of profit or loss using the contractual interest rate, as explained in Note (3-25-1-4). Dividend income from equity instruments measured at fair value through profit or loss is recorded in the statement of profit or loss as other operating income when the right to payment is established.
Reclassification of Financial Assets:
The company does not reclassify its financial assets after initial recognition.

Disposal of the financial asset:
Derecognition from the books other than a material modification:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

§ The right to receive cash flows from the asset has expired, or

§ The Company has transferred its right to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; In addition to:

a) The company has transferred substantially all the risks and rewards associated with the asset; or

b) The Company has neither transferred nor retained substantially all the risks and rewards associated with the asset but has transferred control of the asset.

The Company considers control to be transferred if, and only if, the transferee has the practical ability to sell the entire asset to an unrelated third party and can exercise that ability unilaterally and without additional restrictions on the transfer.
When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case the Company also recognizes an associated liability. The transferred assets and its associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing participation that takes the form of a guarantee over the transferred asset is measured at the lower of the original book value of the asset and the maximum amount the company could be required to pay.

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

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

- Change in the currency of the debt instrument.

- Introducing the equity instrument functionality.

- Change to the other side.

- If the adjustment is such that the instrument no longer meets the criterion of cash flows that are only principal and interest payments on the principal amount repayable.

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

Impairment of Financial Assets:

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

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

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

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

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

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

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

Measurement of Expected Credit Loss for Investments in Debt Instruments:

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

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

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

a) Probability of default: It is an estimate of the probability of default within a certain period. Failure is assessed only if the financial asset's balance has not been previously derecognized and is still recognized in the financial statements. The probability-to-failure model consists of a macroeconomic outlook and a segmentation of the portfolio of financial assets.

b) Loss in the event of failure: It is an estimate of the loss arising in the event of failure. It is based on the difference between the contractual cash flows due and those the lender expects to receive, including cash flows from the sale of retained security or other credit enhancements.

c) Balance at risk: An estimate of the balance at risk of failure at the future date of failure at the borrower's level, considering expected changes in the balance at risk after the end of the financial period, including interest accrued from missed payments.

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

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

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

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

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

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

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

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

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

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

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

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

Change between stages (first, second, third):

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

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

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

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

- Regular payment for at least 12 months.

Measuring Expected Credit Loss:

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

1) Return receipts resulting from sales contracts with customers.

2) Interests for delaying the payment of the returned receipts.

3) The company's investments in debt instruments are measured according to the amortized cost method.

4) The company's investments in debt instruments are measured at fair value through other comprehensive income.

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

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.

(All amounts in Egyptian pound)

- 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.

New versions and amendments made to the Egyptian Accounting Standards

On 03/6/2023, Prime Minister's Decision No. 883 of 2023 was issued amending the provisions of some Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. The management is currently studying the impact of these amendments on the financial statements, and the following are the most important amendments:

New or amended standards	**Summary of the most important modifications**	**Potential impact on the financial statements**	**Application date**
New Egyptian Accounting Standard No. (50) "Insurance contracts"	1- The new Egyptian Accounting Standard No. (50) "Insurance Contracts" replaces the corresponding topics in Egyptian Accounting Standard No. (37) "Insurance Contracts: Recognition, Measurement, and Disclosure." 2- The purpose of this standard is to make sure that the company presents proper information that fairly represents these contracts, and provides information to the	No Effect	Standard No. (50) applies to financial periods beginning on July 1, 2024

(All amounts in Egyptian pound)

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
	users of the financial statements as the required basis to measure the impact of these insurance contracts on the financial position of the company, its financial performance, and cash flows.		
Amended Egyptian Accounting Standard No. (10) "Fixed Assets"	-21.1.1 All establishments were allowed, upon the subsequent measurement of fixed assets, to use either the cost model option or the revaluation model option **Based on this amendment, the following have been modified:** 1- Egyptian Accounting Standard No. (1) "Presentation of Financial Statements: Adding Paragraph (A) to the definition of other comprehensive income in Paragraph No. (7) (A) Changes in the revaluation surplus / fair value see Egyptian Accounting Standard No. (10) "Fixed Assets" and Standard No. (23) "Intangible Assets" and Standard (34) Investment Property Amending Paragraph No. (96) to read as follows: (96) "Reclassification adjustments" do not arise from changes in the revaluation surplus recognized in accordance with Egyptian Accounting Standard No. (10) and Egyptian Accounting Standard No. (23) or remeasurement of the defined benefit system that was recognized in accordance with Egyptian Accounting Standard No. (38) These items are recognized in "Other Comprehensive	Management wants to continue using the cost model	Amended Standard No. (10) applies to financial periods beginning on January 1, 2023.

(All amounts in Egyptian pound)

New or amended standards	**Summary of the most important modifications**	**Potential impact on the financial statements**	**Application date**
	Income" and are not reclassified to profits or losses (income statement) in subsequent periods, and the revaluation surplus can be transferred to retained earnings in subsequent periods or when disposed of according to accounting standard No. (47). Reclassification adjustments do not arise when cash flow hedges or accounting for the time value of an option contract (or the forward component of a forward contract) or basis points for foreign currency differences result in amounts being removed from the cash flow hedge reserve or a separate component of equity, on the arrangement and adding these amounts directly to assets or liabilities. - Egyptian Accounting Standard No. (5) "Accounting policies, changes in accounting estimates and errors." Egyptian Accounting Standard No. (13) Effects of changes in foreign exchange rates. - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodical Financial Statements" - Egyptian Accounting Standard No. (49) "Lease Contracts" - Egyptian Accounting Standard No. (31) "Impairment of Assets"		
Amended Egyptian Accounting Standard No. (23) "Intangible Assets"	All establishments were allowed, upon subsequent measurement of intangible assets, to use either the cost model option or the revaluation model option	Management wants to continue using the cost model	Amended Standard No. (23) applies to financial periods beginning on January 1, 2023.
Amended Egyptian Accounting	**1.** Introducing some amendments to Standard No. (49) issued during	Management wants to continue	The amendments to the amended Standard No.

(All amounts in Egyptian pound)

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
Standard (49)"Lease Contracts"	2019 as a result of amending and re-issuing Egyptian Accounting Standard No. (10) "Fixed Assets" amended in 2023 2. **Adding Paragraph No. (35) to Standard No. 49) as follows:** -If the right-of-use asset is related to a category of fixed assets in which the lessee applies the revaluation model contained in Egyptian Accounting Standard No. (10) "Fixed Assets", then the lessee can choose to apply the revaluation model to all right-of-use assets related to that category of Fixed assets. 3. **Adding Paragraph No. (57) to Standard (49) as follows**: If the lessee measures the right-of-use assets at amounts revalued in accordance with standard (10), the lessee must disclose the information required by paragraph (77) of standard No. (10) on those right-of-use assets. 1. **Amending Paragraph No. (56) of Standard (49) to become:** -If the right-of-use assets meet the definition of investment property, the lessee must apply the disclosure requirements contained in Egyptian Standard No. (34) "Investment Property". In this case, the lessee is not required to provide the disclosures contained in Paragraph 53 (A), (F), (H, (J) of those "right-of-use" assets.	using the cost model	(49) shall be applied to the financial periods beginning on January 1, 2023, when applying the amended Standard No. (10)
Amended Egyptian Accounting Standard No. (34) "Investment Property"	All establishments were allowed, upon the subsequent measurement of their investment properties, to use either the option of the cost model or the option of the fair value model, while	No Effect.	This amendment applies to financial periods beginning on or after January 1, 2019.

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
	obligating investment properties funds only to use the fair value model upon the subsequent measurement of all their property assets. -With the recognition of the increase in the fair value upon the subsequent measurement of the investment property within the items of other comprehensive income instead of profits or losses and accumulating it within equity in an account called "investment property valuation surplus at fair value" (see paragraphs 35 and 35a of the Egyptian Accounting Standard No. (34) **Based on this, the following have been amended:** -Egyptian Accounting Standard No. (32) "non-current assets held for sale and discontinued operations." -Egyptian Accounting Standard No. (31) "Impairment of Assets".		