Egyptian Financial & Industrial Company (S.A.E)

Consolidated Interim Financial Statements For The Financial Period Ended June 30, 2026
&
Limited Review Report



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LIMITED REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

TO: THE BOARD OF DIRECTORS OF EGYPTIAN FINANCIAL & INDUSTRIAL COMPANY (SAE)

INTRODUCTION

We have performed a limited review on the accompanying Consolidated Interim statement of financial position of **Egyptian Financial & Industrial Company (SAE)** as of June 30, 2026 and the related Consolidated Interim statements of profit or loss, comprehensive income, changes in Shareholders' equity and cash flows for the Six months ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these Consolidated Interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these Consolidated interim financial statements based on our limited review.

SCOPE OF LIMITED REVIEW

Except for the matters described in paragraphs (1) through (9) of the Basis for Qualified Conclusion, we conducted our limited review in accordance with Egyptian Standard on Review Engagements No. (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing. Accordingly, a limited review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion on these Consolidated interim financial statements.

BASIS OF QUALIFIED CONCLUSION

1. The Company's management did not provide us with an impairment study of fixed assets, in violation of paragraph (9) of Egyptian Accounting Standard No. (31), "Impairment of Assets".
2. The Company's management did not provide us with an assessment of expected credit losses for the Company and its subsidiary in accordance with Egyptian Accounting Standard No. (47), "Financial Instruments." We were unable to obtain sufficient appropriate audit evidence, through alternative audit procedures, to verify the adequacy of the expected credit losses recognised during the financial period ended June 30, 2026.
3. The Company's management did not disclose the fair value of the investment properties and did not provide us with a fair value valuation study as of June 30, 2026 in violation of paragraph (32) of Egyptian Accounting Standard No. (34), "Investment Property".
4. Management did not provide us with information on whether the SAP system of the subsidiary company, carried forward from the prior year within "Projects Under Construction" at an amount of 11.6 million Egyptian Pounds, has actually been put into operation. If it has been put into operation, it should be reclassified to intangible assets and amortised. Otherwise, an impairment loss should be recognised to reflect the decline in its value.

5. As disclosed in Note (7), ""Projects Under Construction," the balance of "Projects Under Construction as at June 30, 2026 included EGP 288 million relating to machinery and equipment under installation and EGP 164 million relating to buildings and construction works of the Parent Company. Management did not provide us with the necessary technical assessment indicating the current status of these projects and their stage of completion, in order to determine whether they were ready to be transferred to property, plant and equipment.

6. The Company's management did not provide us with the information required to review the Parent Company's production costs for the financial period ended June 30, 2026 including detailed cost statements showing the basis for the production overhead absorption rates, the production equation, and the average costs used in valuing finished goods. We were unable to obtain sufficient appropriate audit evidence, through alternative audit procedures, to verify the accuracy of production costs and the cost of finished goods inventory recognised in the financial statements.

7. The Company's management did not provide us with an assessment of inventory impairment for the Parent Company in accordance with Egyptian Accounting Standard No. (2), "Inventory." The information provided was limited to a memorandum signed by the Chief Executive Officer specifying the permissible normal loss rate for raw materials and finished goods, without a supporting technical study explaining how that rate had been calculated. This rate resulted in an amount of EGP 32 million, which was charged directly to the statement of profit or loss as an inventory write-down rather than being included in production costs. We were unable to obtain sufficient appropriate audit evidence, through alternative audit procedures, to verify the adequacy of the inventory write-down recognised during the financial period ended June 30, 2026.

8. Management did not provide us with the valuation schedules for spare parts, packing and packaging materials, fuel, and oils inventory as at June 30, 2026 For The Parent Company. We were unable to obtain sufficient appropriate evidence, through alternative review procedures, about the accuracy of the valuation of this inventory as at June 30, 2026.

9. Management did not provide us with the supporting documents made by the parent company to the cost of the following items: Raw Sulphur in the amount of 17.5 million Egyptian Pounds; Phosphate 28% in the amount of 1.7 million Egyptian Pounds; Phosphate 29% in the amount of 2.2 million Egyptian Pounds; Phosphoric Acid in the amount of 1.6 million Egyptian Pounds; Sulphuric Acid in the amount of 65.7 million Egyptian Pounds; Fine Fertilizer 12% in the amount of 39.5 million Egyptian Pounds; Fine Fertilizer 16% in the amount of 139.4 million Egyptian Pounds; and Granulated Single Superphosphate Fertilizer 16% in the amount of 74.2 million Egyptian Pounds. These adjustments resulted in a change in the average price per ton of those items. We were unable to obtain sufficient appropriate evidence, through alternative review procedures, about the validity of these adjustments.

10. Land included balances of the Company at the Maliya Complex in Ain Sokhna, purchased in 2008 from the Suez Industrial Development Company, with a carrying amount of 38 million Egyptian Pounds and an area of 256 thousand square metres. The Company has not registered or transferred the title to date. Under Clause Six of the purchase contract, the seller is responsible for the ownership transfer procedures, to be completed within one month of collecting the first instalment.

11. Through our review of the parent company's finished goods inventory, we noted differences between the actual quantity per the physical count and the quantity recorded in the books and records for "Granulated Single Superphosphate Fertilizer 16%", represented by a shortage of 1,054 tons with a value of 10.9 million Egyptian Pounds. The Company did not justify the reasons for this shortage and did not make the necessary inventory count adjustments.



12. As disclosed in Note (22) Provisions, on December 31, 2025 the Parent Company recognised a provision of 215.5 million Egyptian Pounds to meet the contingent liabilities relating to an arbitration claim filed by Heliopotas France against the Company, concerning the two contracts dated November 30, 2023 and January 11, 2024 for the purchase of 21,400 tons of Single Superphosphate Fertilizer. The claim was for an amount of 4,200,000 Euros and other amounts, equivalent to 215,468,257 Egyptian Pounds, as disclosed in Note (34). On August 16, 2026 a final settlement agreement was concluded with the parties to the claim for an amount of 214 million Egyptian Pounds. However, the Company did not make the necessary adjustments to the provision, as required by Egyptian Accounting Standard No. (7) – Events After the Reporting Period.

QUALIFIED CONCLUSION

Except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to obtain the information referred to in paragraphs (1) through (9), and for the effects of the matters described in paragraphs (10) through (12) of the Basis for Qualified Conclusion above, Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying Consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Company as at June 30, 2026 and its financial performance and cash flows for the six-month period ended, in accordance with Egyptian Accounting Standards.

EMPHASIS OF MATTER

Without this being considered an additional qualification to our conclusion referred to above, we draw attention to Note (34), which describes in detail that a judgment was issued, in the presence of the defendant, against the Company's former Head of the Financial Sector in the case filed against him by the Company, in which he was accused of embezzling approximately 28.5 million Egyptian Pounds. The judgment ordered him to repay the aforementioned amount to the Company and imposed a fine on him equal to that amount.

Cairo, Egypt
November 1, 2026

Sherin Noureldin
(RAA 6809)
(FRA 88)

Consolidated Interim Statement Of Financial Position

	Note No.	30/06/2026	31/12/2025
		EGP	EGP
Assets			
Non- Current Assets			
Fixed Assets	(4)	3,308,645,346	3,409,207,078
Intangible Assets	(5)	12,767,133	13,511,848
Investment Property	(6)	29,137,653	29,137,653
Projects Under Construction	(7)	784,648,666	478,626,589
Financial Investments At Fair Value Through Profit & Loss	(8)	306,830	306,830
Total Non- Current Assets		**4,135,505,628**	**3,930,789,998**
Current Assets			
Inventory	(9)	5,021,142,117	4,283,284,545
Trade & Notes Receivables	(10)	305,531,710	390,686,352
Debtors & Other Debit Balances	(11)	1,896,928,284	1,688,182,659
Due From Related Parties	(12-A)	1,105,972,020	1,176,449,909
Egyptian Tax Authority		35,541,167	94,477,911
Cash & Cash Equivalents	(13)	340,536,545	201,487,740
Total Current Assets		**8,705,651,843**	**7,834,569,116**
Total Assets		**12,841,157,471**	**11,765,359,114**
Shareholders' Equity & Liabilities			
Shareholders' Equity			
Issued & Paid - Up Capital	(14-2)	1,000,000,000	1,000,000,000
Reserves	(15)	689,014,591	594,833,563
Retained Earnings		1,074,481,926	696,053,426
Interim Dividends		--	(80,589,032)
Net Profit For The Period / Year		673,043,421	818,961,801
Total Shareholders' Equity - Parent Company		**3,436,539,938**	**3,029,259,759**
Non - Controlling Interest	(18)	2,774,608	2,823,346
Total Shareholders' Equity		**3,439,314,546**	**3,032,083,105**
Liabilities			
Non - Current Liabilities			
Long-Term Loans	(19-1)	1,452,444,432	756,892,744
Deferred Tax Liabilities	(16-2)	381,198,552	376,400,849
Long-Term Notes Payables	(20)	--	2,000,000
Total Non - Current Liabilities		**1,833,642,984**	**1,135,293,593**
Current Liabilities			
Loan Due Within One Year	(19-2)	342,372,719	174,621,520
Banks - Credit Facilities	(17)	5,387,200,180	5,362,068,133
Banks - Credit Balances	(13)	--	3,937,679
Trade & Notes Payables	(20)	949,555,993	767,726,447
Creditors & Other Credit Balances	(21)	453,418,649	399,666,603
Due To Related Parties	(12-B)	244,135	390,635,222
Income Tax	(16-1)	191,663,281	254,293,959
Provisions	(22)	243,744,984	245,032,853
Total Current Liabilities		**7,568,199,941**	**7,597,982,416**
Total Liabilities		**9,401,842,925**	**8,733,276,009**
Total Shareholders' Equity & Liabilities		**12,841,157,471**	**11,765,359,114**

- The accompanying notes and accounting policies are an integral part of these Consolidated Interim Financial Statements and are to be read therewith.
- Limited Review Report "attached".
- Date: October 28, 2026.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

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Consolidated Interim Statement Of Profit Or Loss

	Note No.	For The Six Month Ended		For The Three Month Ended	
		30/06/2026	30/06/2025	30/06/2026	30/06/2025
		EGP	EGP	EGP	EGP
Sales	(23)	7,308,949,593	5,333,253,538	3,572,253,348	2,527,530,808
(Less):					
Cost Of Sales	(24)	(5,285,857,424)	(3,571,973,286)	(2,555,670,150)	(1,789,268,975)
Gross Profit		**2,023,092,169**	**1,761,280,252**	**1,016,583,198**	**738,261,833**
Add/(Less):					
Other Operating Income	(25)	10,929,516	9,155,517	(28,615,899)	5,222,507
Selling & Distribution Expenses	(26)	(353,342,644)	(304,921,940)	(208,536,172)	(173,656,469)
General & Administrative Expenses	(27)	(191,293,785)	(172,011,026)	(102,757,261)	(84,258,311)
Other Operating Expenses	(28)	(32,582,645)	(6,631,046)	(32,582,645)	(1,516,562)
Net Operating Profit		**1,456,802,611**	**1,286,871,757**	**644,091,221**	**484,052,998**
Add/(Less):					
Finance Income	(29)	19,419,316	24,734,344	11,114,920	9,065,587
Finance Cost	(30)	(606,281,197)	(479,132,570)	109,106,306	(248,749,367)
Net Finance (Cost) /Income		**(586,861,881)**	**(454,398,226)**	**120,221,226**	**(239,683,780)**
Investment Income	(31)	4,712	8,462	2,356	6,101
Net Profit For The Period Before Tax		**869,945,442**	**832,481,993**	**764,314,803**	**244,375,319**
Add/(Less):					
Income Tax	(16-5)	(191,663,281)	(168,791,164)	(168,305,785)	(39,636,034)
Deferred Tax	(16-2)	(4,797,703)	(19,463,880)	2,576,154	(16,625,866)
Net Profit For The Period After Tax		**673,484,458**	**644,226,949**	**598,585,172**	**188,113,419**
Share Of Parent Companys' Shareholders		673,043,421	643,688,095	598,273,656	187,911,775
Share Of Non-Controlling Interests		441,037	538,854	311,516	201,644
Net Profit For The Period		**673,484,458**	**644,226,949**	**598,585,172**	**188,113,419**
Basic Earnings Per Share For Net Profit For The Period (EGP/Share)	(32)	**6.42**	**6.21**	**5.67**	**1.84**

- The accompanying notes and accounting policies are an integral part of these Consolidated Interim Financial Statements and are to be read therewith.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Consolidated Interim Statement Of Comprehensive Income

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Net Profit For The Period	673,484,458	644,226,949	598,585,172	188,113,419
Add				
Other Comprehensive Income	--	--	--	--
Total Comprehensive Income For The Period	**673,484,458**	**644,226,949**	**598,585,172**	**188,113,419**
Attributable To:				
Share Of Parent Companys' Shareholders	673,043,421	643,688,095	598,273,656	187,911,775
Share Of Non-Controlling Interests	441,037	538,854	311,516	201,644
Net Profit For The Period	**673,484,458**	**644,226,949**	**598,585,172**	**188,113,419**

- The accompanying notes and accounting policies are an integral part of these Consolidated Interim Financial Statements and are to be read therewith.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Consolidated Interim Statement Of Changes In Shareholders' Equity

For The Six Month Ended 30/6/2025	Issued & Paid-Up Capital	Reserves	Retained Earnings	Interim Dividends	Net Profit For The Period	Total Shareholders' Equity Parent Company	Non-Controlling Interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance At January 1, 2025	**727,667,140**	**607,506,274**	**507,355,007**	**(108,984,364)**	**1,748,871,043**	**3,482,415,100**	**2,912,284**	**3,485,327,384**
Transactions With Company's Shareholders'								
Transferred To Retained Earnings	--	--	1,748,871,043	--	(1,748,871,043)	--	--	--
Transferred To Reserves	--	230,674,070	(230,676,233)	--	--	(2,163)	2,163	--
Employees' Share In Dividends	--	--	(62,910,120)	--	--	(62,910,120)	--	(62,910,120)
Dividends To Shareholders'	--	--	(1,112,035,430)	--	--	(1,112,035,430)	--	(1,112,035,430)
Board Of Directors Bonus	--	--	(45,159,410)	4,159,410	--	(41,000,000)	--	(41,000,000)
Sport Activity		--	(7,635,409)	--	--	(7,635,409)	--	(7,635,409)
Adjustments To Interim Dividends	--	--	(103,861,719)	104,824,954	--	963,235	(963,235)	--
Total Transactions With Company's Shareholders'	**--**	**230,674,070**	**186,592,722**	**108,984,364**	**(1,748,871,043)**	**(1,222,619,887)**	**(961,072)**	**(1,223,580,959)**
Other Comprehensive Income								
Net Profit During The Period	--	--	--	--	643,688,095	643,688,095	538,854	644,226,949
Total Comprehensive Income	**--**	**--**	**--**	**--**	**643,688,095**	**643,688,095**	**538,854**	**644,226,949**
Balance At June 30, 2025	**727,667,140**	**838,180,344**	**693,947,729**	**--**	**643,688,095**	**2,903,483,308**	**2,490,066**	**2,905,973,374**

- The accompanying notes and accounting policies are an integral part of these Consolidated Interim Financial Statements and are to be read therewith

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

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Consolidated Interim Statement Of Changes In Shareholders' Equity

For The Six Month Ended At 30/06/2026	Issued & Paid-up Capital	Reserves	Retained Earings	Interim Dividends	Net Profit For The Period	Total Shareholders' Equity Parent Company	Non-Controlling Interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance At January 1,2026	1,000,000,000	594,833,563	696,053,426	(80,589,032)	818,961,801	3,029,259,759	2,823,346	3,032,083,105
Transactions With Companys' Shareholders'								
Transferred To Retained Earings	--	--	818,961,801	--	(818,961,801)	--	--	--
Transferred To Reserves	--	94,181,028	(94,222,701)	--	--	(41,673)	41,673	--
Employees' Share In Profit	--	--	(40,000,000)	--	--	(40,000,000)	--	(40,000,000)
Dividends To Shareholders'	--	--	(200,000,000)	--	--	(200,000,000)	--	(200,000,000)
Board Of Directors Bonus	--	--	(20,000,000)	--	--	(20,000,000)	--	(20,000,000)
Sport Activity	--	--	(6,253,016)	--	--	(6,253,016)	--	(6,253,016)
Interim Dividends	--	--	(80,057,584)	80,589,032	--	531,448	(531,448)	--
Total Transactions With Companys' Shareholders'	--	94,181,028	378,428,500	80,589,032	(818,961,801)	(265,763,241)	(489,775)	(266,253,016)
Other Comprehensive Income								
Net Profit For The Period	--	--	--	--	673,043,421	673,043,421	441,037	673,484,458
Total Comprehensive Income	--	--	--	--	673,043,421	673,043,421	441,037	673,484,458
Balance At June 30,2026	1,000,000,000	689,014,591	1,074,481,926	--	673,043,421	3,436,539,938	2,774,608	3,439,314,546

- The accompanying notes and accounting policies are an integral part of these Consolidated Interim Financial Statements and are to be read therewith

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Consolidated Interim Statement Of Cash Flows

	Note No.	For The Six Month Ended 30/06/2026	30/06/2025
		EGP	EGP
Cash Flows From Operating Activities			
Net Profit For The Period Before Tax		869,945,442	832,481,993
Adjustments To Reconcile Net Profit To Net Cash From Operating Activities			
Depreciation Of Fixed Assets	(4)	105,146,929	77,905,375
Amortization Of Intangible Assets	(5)	744,715	744,715
Foreign Exchange Differences	(30)	132,521,670	44,095,019
Treasury Bills & Treasury Bonds Income	(31)	(4,712)	(8,462)
Social Comprehensive Health Contribution (Law 2)	(27)	19,040,952	13,467,720
Impairment Of Inventory	(28)	32,582,645	--
Impairment Of Notes & Trade Receivables (Support)	(28)	--	468,966
Impairment Of Trade & Notes Receivables No Long Required	(25)	(91,197)	(905,603)
Provisions Formed	(28)	--	6,162,080
Provision No Longer Required	(25)	(1,000,000)	(1,757,547)
Capital Gains	(25)	(685,000)	(17,023)
Settlements		32,295,219	(50,391)
Return On Tax Advance Payment System	(29)	(10,765,923)	(6,184,054)
Interest Income	(29)	(8,653,393)	(18,550,290)
Interest Expense & Bank Comissions	(30)	473,759,527	435,037,551
Operating Profit Before Changes In Working Capital		**1,644,836,874**	**1,382,890,048**
Changes In:			
Inventory		(770,440,217)	(957,043,248)
Trade & Notes Receivables		107,950,372	176,331,506
Debtors & Debit Balance		(208,745,625)	(163,229,377)
Due From Related Parties		70,477,889	(39,220,083)
Trade & Notes Payables		130,867,742	63,359,618
Creditors & Credit Balance		(63,347,333)	(415,736,561)
Due To Related Parties		(390,391,087)	(2,977,176)
Provisions - Used		(287,869)	(423)
Employees' Share In Profit & Board Of Directors Bonus		(94,269,435)	(103,134,550)
Income Tax Paid		(178,159,030)	(365,289,636)
Net Cash Flows Provided From / (Used In) Operating Activities		**248,492,281**	**(424,049,882)**
Cash Flows From Investing Activities			
Payments For Purchase Of Fixed Assets & Projects Under Construction		(342,902,493)	(444,158,254)
Proceeds From Sale Of Fixed Assets		685,000	17,023
Proceeds From Treasury Bills After Tax		4,712	8,462
Collected Interest Income		8,653,393	18,550,290
Net Cash Flows (Used In) Investing Activities		**(333,559,388)**	**(425,582,479)**
Cash Flows From Financing Activities			
Proceeds From Long - Term Loans		864,576,329	93,744,130
(Payments) /Proceeds Form Credit Facilities		(56,655,600)	1,236,363,500
Dividends Paid		(100,132,960)	(364,132,505)
Interest Expense& Bank Commissions Paid		(450,046,405)	(423,387,821)
Net Cash Flows Provided From Financing Activities		**257,741,464**	**542,587,304**
Net Change In Cash & Cash Equivalents During The Period		**172,674,357**	**(307,045,057)**
Cash & Cash Equivalents At The Beginning Of The Period	(13)	197,550,061	1,223,019,230
Effect Of Changes In Exchanges Rates On Cash		(29,687,873)	(19,984,605)
Cash & Cash Equivalents At The End Of The Period	**(13)**	**340,536,545**	**895,989,568**

- The values of transactions that represent non-cash transactions have been excluded, as detailed in Note (39).
- The accompanying notes and accounting policies are an integral part of these Consolidated Interim financial statements and are to be read therewith.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

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Notes To The Consolidated Interim Financial Statements

1. General Information Of Parent Company & Subsidiary

1.1 Egyptian Financial & Industrial Company (Parent Company)

- The Egyptian Financial and Industrial co. (S.A.E.) was established according to the royal decree issued on May 30, 1929. It was then fully nationalized and was subject to the supervision of the public sector authority of chemical industry according to the law no. 97 of 1983. According to article no. (2) of the law no. 203 of year 1991 of the issuance business sector companies' law, the company became a subsidiary from the Parent company for Thermo and Mining (S.A.E.). On June 19, 1996 the extraordinary general assembly of the Parent company for Thermo and Mining (S.A.E.) agreed to offer a portion of the shares owned in the Egyptian Financial and Industrial co. to be offered in stock exchange markets, Accordingly the company was transformed into a Joint Stock Company subject to law no. 159 of 1981 starting from July 1, 1996 and it was registered in the commercial registry on January 18, 1997.
- The duration of the company is 50 years starting from 18 January 1997 to 17 January 2047.
- The Company is located in 51 Ahmed Maher Street– Kafr El-Zayat.
- The board of directors approved Consolidated Interim Financial Statements on October 28, 2026.

Company's Activities

- The Company performs all activities related to the production, manufacturing and trading of chemical materials, fertilizers and all kinds of agricultural fertilizers whether powder, granular, paper or liquid.
- Manufacturing of plastic bags or bags necessary for the packing of the company products and the right to supply or manufacture bags for others as long as the production capacity is available.
- Owning or participate in ownership of different means of transportation whether land or river transportation for the purpose of transportation of products manufactured or materials used by the company and also has the right to lease or use these means of transportation to transport the goods and supplies of others which may benefit the company and improve the company's economic position.
- Performing business related to moving objects, real estate and all industrial, financial and commercial operations related to the company's purpose. And the use of funds available to the company in return for the benefit of it and in general all operations related to the purposes of the aforementioned company.
- Build and participate in investment projects in basic or complementary industries consistent with the company's activities.
- Purchase or import all raw materials and consumables necessary to perform the company's activity & trading or exporting the company products of Fertilizers and chemicals.
- Acquisition of land, exploitation of mines and establishment of factories in all their extensions, taking into account the provisions of Law No. 95 of 1992.Subject to the provisions of the laws, regulations and decisions in force, and provided that the necessary licenses are issued for the treatment of these activities or the necessary approvals are obtained.
- The company may have an interest or participate in any way with companies and others that carry out their business or may cooperate with them to achieve its purpose in Egypt or abroad, and it may also integrate into the previous bodies or buy or subsidise it to it, in accordance with the provisions of the law and its executive regulations.

1.2 Suez Company For Fertilizer Production (Subsidiary Company)

- Suez Company for Fertilizers Production (SAE) was established in accordance to the law No. (8) for the year 1997 regarding investment guarantees and incentives and its executive regulations and it was registered in the commercial registry on December 3, 2002 under number 3972.
- The company's premises is in North West Suez area sector No. (1)- Suez Governorate.

Company's Activities

- Establishing and operating a factory for producing and manufacturing chemical materials, fertilizers and all types of agricultural fertilizers whether powder, granular, paper, liquid and feed additives.
- The parent company's shareholding percentage in the subsidiary company is 99.98%.

2. Basis Of Preparation Of The Consolidated Interim Financial Statements

The Consolidated financial statements have been prepared according to going concern assumption and historical cost basis except for financial assets and liabilities which are recognized at its fair value and amortized cost, generally historical cost depend on fair value of the consideration actually paid for the assets.

2.1 Accounting Standards & Legal Principles

- The accompanying Consolidated financial statements have been prepared in accordance with the Egyptian accounting standards ("EAS")
- Significant Accounting policies applied on the company are disclosed *in* Note (3).

2. Basis Of Preparation Of The Consolidated Interim Financial Statements (Continued)

2.2 Functional Currency & Presentation Currency

The Consolidated financial statements are presented in Egyptian Pound referred to as "Egyptian Pound" or "EGP", which is the Company's functional currency.

2.3 Use Of Estimates & Judgments

- The preparation of the Consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.
- These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that aren't readily apparent from the other sources. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- Revisions to accounting estimates are recognized in the year in which those estimates were revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

A- Personal Judgment

Information on personal judgment used in the application of accounting policies that have a significant impact on the values presented for financial statements Included in the following:

- Revenue recognition: Revenue is recognized in accordance with what is detailed in the applied accounting policies.
- Classification of lease contracts.

B- Assumptions & Uncertain Estimates

Information on assumptions and estimates that may result in significant adjustment in the book value of assets and liabilities in the next financial period are represented in:

- Recognition and measurement of provisions and liabilities: Principal assumptions about the probability and extent of resources inflow.
- Income tax.
- Measure of Expected Credit Losses (ECL) to trade & notes receivables and other financial assets.

C- Fair Value Measurement

A number of accounting policies and disclosures require a company to measure 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 valuation techniques are classified according to the following hierarchy:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs both the 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 in which the change occurs in.

More Information On The Assumptions Applied When Measuring Fair Value Is Listed As Follows:

- Financial instruments.

2.4 Consolidated Interim Financial Statements

The Company has a subsidiary and according to Egyptian Accounting Standard No. 17 (Consolidated Interim Financial Statements) and No. 42 (Consolidated Interim Financial Statements) and Article 188 of the Executive Regulations of the Companies Act No. 159 of the year 1981 the Company prepares consolidated financial statements for the Group where it requires getting back to it to get an understanding of the financial position, business results and cash flows for the group as a whole.

3. Significant Accounting Policies

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

3.1 Business Combinations

- The Group shall account for business combinations using the acquisition method when control is transferred to the Group.
- The consideration transferred and the identifiable net assets acquired in a business combination are generally measured at fair value.
- Any goodwill that arises is tested annually for impairment, any gain on a bargain purchase is recognized in profit or loss immediately.
- Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities
- The consideration transferred does not include amounts related to the settlement of pre-existing relationships between the acquirer and the acquiree. Such amounts are generally recognised in profit or loss
- Any contingent consideration is measured at fair value at the date of acquisition. the acquirer shall classify an obligation to pay contingent consideration that meets the definition of an equity instrument as equity on the basis of the definition of an equity instrument, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.3 Non-Controlling Interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.4 Loss Of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.5 Transactions Eliminated On Consolidation

- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.
- Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.
- Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.6 Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies at the date of the financial position statement are translated to Egyptian Pound at the foreign exchange rate in effect at that date.
Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction.
Foreign exchange differences arising on translation are recognized in the statement of profit or loss.
However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Cash flow hedges to the extent that the hedges are effective.

3.7 Discontinued Operations

- A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company.
- Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.
- When operation is classified as a discontinued operation, the comparative figures of (profit or loss) and other comprehensive income are to be modified as if the operation had been eliminated from the beginning of the comparative period.

3. Significant Accounting Policies (Continued)

3.8 Fixed Assets & Depreciation

Recognition & Measurement

- Items should be recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably.
- Fixed Assets are stated at cost less accumulated depreciation and impairment losses.
- Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.
- Where parts of an item of fixed assets have different useful lives, they are accounted for as items of fixed assets.
- Purchased computer software, which forms an effective integral part of devices are capitalized as part of these devices.
- The borrowing costs related to the acquisition, construction or production of assets are an element of the cost of such assets and it ceases to be capitalized when the asset reaches the site and condition for which it was acquired and the borrowing cost is then included in the statement of profit or loss when it is incurred.
- Gains or losses resulting from the disposal of fixed assets are recognized in the statement of profit or loss.

Subsequent Costs

The Company recognizes in the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied with the item will flow to the Company and the cost can be measured reliably. All other costs are recognized in the statement of profit or loss as an expense as incurred.

Depreciation

- Depreciation is calculated to write off the cost of items of fixed assets less their estimated residual values using the (straight-line method) over their estimated useful lives for each item, and is generally recognized in profit or loss.
- Land is not depreciated. Estimated depreciation rates for each type of assets for current period are as follow:

First: Egyptian Financial & Industrial Company (Parent)

Asset Type	Years
Buildings, Constructions	8 - 50
Machinery & Equipment	6 – 33
Vehicles	5 - 8
Tools & Supplies	13
Furniture & Office Equipment	10

Second: Suez Company For Fertilizers Production (Subsidiary)

Asset Type	Years
Buildings, Constructions	50
Machinery & Equipment	20
Vehicles	4
Tools & Supplies	4
Furniture & Office Equipment	4



Depreciation begins when the asset is available for use. The asset's remaining values, useful lives and methods of depreciation are reviewed at the end of each financial period.

3.9 Projects Under Construction

Projects under construction are recognized initially at cost less any accumulated impairment in its value. There is no depreciation until the project is completed and transferred to fixed asset.
It includes all direct expenses required to prepare the asset to be in a state of operation and for the purpose for which it was acquired. Projects under construction are transferred to fixed assets when they are completed and are ready for their intended use.

3. Significant Accounting Policies (Continued)

3.10 Intangible Assets

Intangible assets are measured on initial recognition at cost.
After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.
Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end.
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment. Gains or losses of disposal is recognized by the difference between the collected amounts by disposal and the net book value.
Costs related to development or maintenance of software are recognized as expenses in the statement of profit or loss when incurred while the costs directly related to specific software controlled by the company are recognized as intangible asset

Computer Software Licenses
Computer software licenses are initially recognized at acquisition cost and are presented in the statement of financial position net of accumulated amortization and any impairment losses. They are amortized using the straight-line method over a period of ten years.

3.11 Investment Property

Investment property should be recognized at cost when it is probable that the future economic benefits associated with the property will flow to the entity and the cost of the property can be measured reliably. Property is held either to earn rentals or for capital appreciation or both.

3.12 Inventory

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.
Cost is determined as follows:

- Raw materials, spare parts, chemicals, oil, gas, supplies, and materials are valued at the lower of cost or net realizable value. The cost is determined based on the weighted average principle.
- Finished goods and work in process are valued at the lower of production cost or net realizable value.

3.13 Transaction With Related Parties

- All transactions with related parties are booked by the company in the same manner as any other normal transaction with other parties.
- At the end of the financial year, Related Party contracts and a request of authorization to settle Related Party contracts for the following year are presented in the General Assembly.
- Transactions with related parties and outstanding balances are disclosed within the notes of the financial position.

3.14 Cash & Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. It also includes short term investment that is high in liquidity that can be easily transferred into limited cash and the risk of change in its fair value is low.



3. Significant Accounting Policies (Continued)

3.15 Impairments

Non-Derivative Financial Assets

Financial Instruments & Assets Arising From The Contract

The Company Recognizes Loss Provision For Expected Credit Losses For The Following:

- Financial assets measured at amortized cost;
- Investments in debt instruments that are measured at fair value through other comprehensive income; And
- The assets arising from the contract.

The Company Measures Loss Allowances At An Amount Equal To The Lifetime ECL, Except For The Following, Which Are Measured At An Amount Equal To The 12-Month ECL :

- Debt instruments that were identified as having low credit risk at the reporting date; And
- The other debt instruments and bank balances in which the credit risk (i.e., the risk of default over the expected life of the financial instrument) has not increased significantly since the first recognition.
- Provisions for losses of commercial customers and contract assets are always measured at an amount equal to the expected credit losses over their life.
- In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and known credit assessment, including forward-looking information.
- The company assumes that the credit risk pf a financial asset has increased significantly if it more than 30 days past due.

The Company Considers A Financial Asset To Be In Impaired When:

- It is unlikely that the borrower will pay its credit obligations to the group in full, without resorting to the company by measures such as liquidating the guarantee (if any); or
- The financial asset is more than 90 days old.
- The company considers debt instruments to have low credit risk when their credit risk rating is equal to the globally understood definition of "investment degree"
- The expected credit losses over the life span of the asset are the expected credit losses resulting from all possible failures over the life expectancy of the financial Instruments.
- Expected credit losses over 12 months are Part of expected credit losses resulting from possible failures within 12 months after the date of the report (shorter period if the instrument's life expectancy is less than 12 months) Maximum period taken into account when estimating expected credit losses and maximum contractual period in which the company is exposed to credit risks.

Measuring Expected Credit Losses

- It is a probability-weighted estimate of credit losses. The present value of all cash shortfalls is measured (that is, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).
- Expected credit losses are discounted at the financial asset's effective interest rate.

Credit Impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments measured at FVOCI are credit-impaired. The financial asset is considered "credit impairment"When one or more events that have a detrimental effect on the estimated future cash flows of the financial asset occur.

Evidence That Financial Assets Are Credit Impaired Includes Observable Data.

- Significant financial difficulty for the lender or issuer and
- Violation of the contract such as failure or being overdue for a period of more than 90 days and
- The restructuring of a loan or advance by the company on terms that the company will not take into account in one way or another; And the
- The borrower is likely to enter bankruptcy or other financial reorganization; or
- The disappearance of an active stock market due to financial difficulties.

Disclosure Of The Provision For Expected Credit Losses In The Statement Of Financial Position

- The loss allowance for financial assets measured at amortized cost is deducted from the total carrying amount of the assets.
- For securities in debt securities that are measured at fair value through other comprehensive income, the loss allowance is charged to the profit or loss and is recognized in other comprehensive income.

3. Significant Accounting Policies (Continued)

3.15 Impairments (Continued)

Write-Off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.16 Capital

Common Shares

The direct costs related to ordinary shares issuance and shares subscription options are recorded as a decrease to shareholders equity.

Repurchase Of Share Capital (Treasury Shares)

When share capital recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as deduction from total equity.

Dividends

Dividends are recognized as a liability in the year in which they are declared and with the decision of the company's general assembly.

Capital Management

- The Board of Directors' policy is to maintain a strong capital structure so as to maintain investor, creditor and market confidence and to sustain future development of the business.
- The Board of Directors monitors the return on capital which the Company defines as net operating revenue divided by total shareholder's equity, the Board also monitors the level of dividends paid – if any - to shareholders.
- There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirement.

3.17 Reserves

Legal Reserve

- According to the Company's Article of Associations requirements, 5% of the net profit is set aside to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 100% of the issued share capital, if the reserve falls below the defined percentage Therefore, the Company is required to return to appropriating 5% of the annual net profits until the reserve balance reaches 100% of the issued capital again.
- The legal reserve is non-distributable, it can be used to increase the company's capital or to decrease accumulated losses.

Statutory Reserve

- Although 10% at least of the net profit is set aside to form special reserve. The transfer to special reserve ceases once the reserve reaches 100% of the issued share capital. Reserve is not available for distribution, but it can be used for a capital increase or reduce losses.
- Reserve is used based on General Assembly's decision according to the Board of Directors' suggestion that is in favor of the Company.

Other Reserves

- Other reserves are formed after being presented to the general assembly and based on a proposal from the company's board of directors.

3.18 Borrowing

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the company has the right to postpone the settlement for a period exceeding one year after the balance sheet date, then the loan balance should be classified as long-term liabilities.

After initial recognition at fair value net of directly attributable transaction costs, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

The amortized cost is calculated taking into account any deduction or premium, fees or costs that are part of the effective interest rate and amortization at the effective interest rate is included in the financing expenses in the statement of profits or losses.

3. Significant Accounting Policies (Continued)

3.19 Trade Payable & Other Credit Balances

Creditors are stated at nominal value, and liabilities (accruals) are recognized for values to be paid in the future for goods and services received.

3.20 Provisions

- A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. It can be reliably estimated, and the company reviews the provisions at the date of preparing the financial position and adjusts it according to the best estimate.
- Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. The increase in the book value of the provision resulting from using the discount to find the present value, which reflects the time value of money, is recognized as borrowing cost.

Legal claims

The recognition of the provision for legal claims when there are legal claims against the Company and after receiving appropriate legal advice.

Other Provisions

Provisions are recognized when there are other expected claims from third parties with respect to the activities of the Company and, according to the latest developments and discussions and agreements with those parties.

3.21 Revenue

Revenue Recognition

The Company's accounting policies relating to contracts with customers is provided in five steps module as identified in EAS No. (48):

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The Company Satisfy The Performance Obligation & Recognize Revenue Over Time, If One Of The Following Criteria Is Met: -

a. Company performance does not arise any asset that has an alternative use of the Company and the Company has an enforceable right to pay for completed performance until the date.
b. The Company arise or improves a customer-controlled asset when the asset is arising or improved.
c. The customer receives and consumes the benefits of Company performance at the same time as soon as the Company has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Company satisfies performance obligation.

When the Company satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation).

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Company, revenue and costs can be measured reliably, where appropriate.

The Application Of Egyptian Accounting Standard No. (48) Requires Management To Use The Following Judgements: -

Satisfaction Of Performance Obligation

The company must evaluate each of its contracts with customers to determine whether the performance obligations are satisfied over time or at a point in time in order to determine the appropriate revenue recognition method. The company has determined that, based on the contract with the customers, it does not have an alternative use for the asset and typically has the right to receive payment for the completed performance up to the current date. In these circumstances, the company recognizes revenue over time, and if not, revenue is recognized at a point in time for the sale of goods, usually at a certain point in time.

3. Significant Accounting Policies (Continued)

3.21 Revenue (Continued)

Determine The Transaction Price

The company must determine the transaction price related to its contract with customers, and when applying this provision, the company estimates the effect of any variable consideration in the contract due to discounts, penalties, or the presence of any significant financing component in the contract or any non-cash consideration in the contract.

Transfer Of Control In Contracts With Customers

In case the company determines that performance obligations are satisfied at a point in time, revenue is recognized when control of the assets subject to the contract has been transferred to the customer.

In Addition, The Application Of Egyptian Accounting Standard (EAS) No. 48 Has Resulted In:
Allocation Of The Transaction Price Of Performance Obligation In Contracts With Customers

The Company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Company considers the use of the input method, which requires recognition of revenue based on the Company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Company estimates efforts or inputs to satisfy a performance obligation. In addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other Matters To Be Considered

Variable consideration if the consideration pledged in a contract includes a variable amount, then the Company shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Company estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. This method is applied consistently throughout the contract and for identical types of contracts.

The Significant Funding Component

The Company shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

a. Product Sales

Management assessed the impact of applying the standard by using the model referred to above and concluded that the current basis for revenue recognition remains appropriate, as the sole performance obligation is the delivery of the sold quantities to customers, whether domestic or export. According to the agreements with customers, the Company transfers control of the sold quantities as follows:-

- **Domestic Sales:** on the date the goods exit the Company's gates.
- **Export Sales:** in accordance with the shipping terms.

Revenue is measured at the fair value of the consideration received or receivable by the entity. Revenue is recognized when it is probable that future economic benefits will flow to the entity and the amount of revenue can be measured reliably. No revenue is recognized if there is uncertainty regarding the recoverability of the consideration or the costs associated with the revenue

b. Service Revenue

Service revenue is recognized when services are rendered to customers. No revenue is recognized if there is uncertainty regarding the recoverability of the consideration or the costs associated with the revenue.

c. Dividends

Dividend revenue is recognized in the statement of profit or loss on the date the Company's right to receive the dividends arises.

3.22 Investment Income

Investment income is recognized when the shareholders of the company are entitled to dividends made by the investee's in the financial period in which such dividends are approved by the general assembly of the investees.

3.23 Credit Interest

Interest income is recognized on a time proportion basis, as it accrues using the effective interest rate method. When an impairment exists in the debit balances resulting from recognizing the interest, hence the book value is reduced to the value expected to be collected.

3.24 Government Grants Related To Income

Government grants are recognized in the statement of profit or loss on a systematic basis over the financial years in which the entity recognizes the related expenses for which the grant is intended to compensate.
Also, government grants received by the entity as compensation for expenses or losses actually incurred or as an immediate financial support not matched by future expenses in the statement of profit or loss for the financial year in which these grants become collectable.

3. Significant Accounting Policies (Continued)

3.25 Expenses

All expenses, including administrative and general expenses and selling and marketing expenses, are to be reflected in the statement of profit or loss for the financial period that such expenses were incurred.

A. Borrowing Cost

Debit Interest and interest related to interest bearing loans and credit facilities are recognised in the statement of profit or loss using the effective interest rate method (applicable) according to the accrual basis.
The borrowing cost related to the acquisition or construction of fixed assets is capitalized and added to the cost of the assets and depreciated over its useful life, the capitalization starts when expenses have been incurred on the assets and during the period the company incurred Borrowing cost. The capitalization ceases in the period of temporary stopping construction of the assets or when it is ready for use.

B. Employees' Benefits

Benefit plans contribution schemes are recognized as an expense when the related service is provided. Prepaid contributions are recognized as an asset to the extent that the advance payment leads to a reduction in future payments or cashback. The Company participates in the governmental social insurance of the employees' benefits according to social insurance law no.148 for the year 2019. The Company participate according to this law in the system by a fixed percentage of salaries basis. The Company's obligations are limited in its value of participation, the Companies participations are charged in the statement of profit or loss according to accrual basis.

C. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss statement except to the extent that it relates to a business combination, or items recognised – in the same year or a different one - directly in equity or in Other Comprehensive Income "OCI".

1- Current Income Tax

The current income tax is recognized for the current year and prior years, as it is not paid as a liability, if the tax was already paid in the current year and prior years is more than the due value from these years, this increase will be recognized as assets. The value of the liabilities (assets) current tax for the current year and previous years is measured by the expected payment (retrieved from) to tax authority, by applying the applicable tax prices (and tax laws) or in the process to be issued at the end of the financial year. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

2- Deferred Tax

Deferred tax is recognized for provisional differences between the accounting basis of assets and liabilities and the tax basis of those assets and liabilities. Deferred tax shall be recognized for all temporary discrepancies expected to be taxed except:

- First recognition of fame,
- Or first recognition of the origin or obligation of the process by which:

(1) It's not compilation.
(2) Does not affect net accounting profit or tax profit (tax loss).

Temporary differences associated with investments in subsidiaries and sister companies and stakes in joint ventures to the extent that the timing of the reversal of such temporary differences can be controlled and such differences are likely not to be reversed in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.26 Employees' Share In Dividends

The Company pays 10% from cash dividends as employees share in profit and not exceeding total annual salaries for the employees. Employees' share in profit is recognised as dividends within changes in owner's equity statement and as a liability during the financial period whereas the Company's shareholders approved these dividends. No dividends to be recognised to the employees as a share in profits for the undistributed profits.

3. Significant Accounting Policies (Continued)

3.27 Earnings Per Share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares at the date of financial position, after deducting taxes, reserves and employees' profit share and board of director remunerations as declared in the last general assembly and the company's policy.

3.28 Cash Flows Statement

The cash flows statement has been prepared according to the indirect method. For preparing statement of cashflow, cash and cash equivalents comprise balances of cash on hand, current accounts at banks, time deposits and bank overdrafts that are not part of borrowing arrangements. It also referred as short-term investment that is high in liquidity that can be easily transferred into limited cash and the risk of change in its fair value is low.

3.29 Financial Instruments

1- Recognition & Initial Measurement

Other current assets are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2- Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL (if any).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in this case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A Debt Instrument Is Measured At Fvoci If It Meets Both Of The Following Conditions & Is Not Previously Designated As At Fvtpl:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.
- All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
- The accounting policies related to the application is similar to the accounting policies applied by the entity except the following accounting policy

Financial Assets- Business Model Assessment.

- The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

3. Significant Accounting Policies (Continued)

3.30 Financial Instruments (Continued)

2. Classification & Subsequent Measurement (Continued)

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
- Financial assets that are held for trading or are managed (if any) and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets – Assessment Whether Contractual Cash Flows Are Solely Payments Of Principal & Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Assets – Subsequent Measurement, Gains & Losses

Financial assets classified at FVTPL (If any)	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost (if any)	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI (if any)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI (if any)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3. Disposal

Financial Assets

The company derecognizes the financial asset when the period of validity of the contractual right to obtain cash flows from the financial asset ends, or transfers the contractual right to receive cash flows from the financial asset in a transaction in which all risks and benefits of ownership of the financial asset have been materially transferred. Or if the company does not substantially transfer or retain all the risks and benefits of ownership of the financial asset and the company does not retain control.

The Company enters into transactions whereby it transfers the assets recognized in its financial position list, but retains all or all of the risks and benefits of the assets transferred. In these cases, transferred assets are not excluded.

3. Significant Accounting Policies (Continued)

3.30 Financial Instruments (Continued)

3. Disposal (Continued)

Financial Liabilities

The company excludes the financial obligation when it ends either by disposing of it, cancelling it or expiring its period of contract. The company also excludes the financial obligation when its terms are amended and the cash flows of the adjusted obligations are materially different. In this case, a new financial obligation based on the modified terms is recognized at fair value.

When the financial obligation is excluded, the difference between the book value paid and the payable (including any non-cash assets transferred or obligations incurred) in profits or losses is recognized.

4. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4. Fixed Assets

For The Six Month Ended At 30/06/2026	Land	Buildings	Machinery & Equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance At January 1, 2026	**415,982,675**	**513,951,950**	**3,066,938,568**	**65,837,499**	**316,225,892**	**60,937,064**	**4,439,873,648**
Additions During The Period	--	16,411,980	8,830,136	7,221,171	2,894,245	1,522,884	36,880,416
Transferred To Investment Property	(29,137,653)	--	--	--	--	--	(29,137,653)
Disposal During The Period	--	--	(77,000)	(943,509)	--	--	(1,020,509)
Settelements	--	--	(32,295,219)	--	--	--	(32,295,219)
Cost At June 30, 2026	**386,845,022**	**530,363,930**	**3,043,396,485**	**72,115,161**	**319,120,137**	**62,459,948**	**4,414,300,683**
Accumulated Depreciation At January 1, 2026	**--**	**84,237,021**	**791,339,697**	**38,829,693**	**67,333,263**	**19,789,241**	1,001,528,915
Depreciation During The Period	--	10,105,939	85,134,465	4,447,325	2,782,235	2,676,965	105,146,929
Disposal Accumulated Depreciation During The Period	--	--	(77,000)	(943,509)	--	--	(1,020,509)
Accumulated Depreciation At June 30, 2026	**--**	**94,342,960**	**876,397,162**	**42,333,509**	**70,115,498**	**22,466,206**	**1,105,655,335**
Net Book Value At June 30, 2026	**386,845,022**	**436,020,970**	**2,166,999,323**	**29,781,652**	**249,004,639**	**39,993,742**	**3,308,645,346**
Net Book Value At December 31, 2025	**386,845,022**	**429,714,929**	**2,275,598,871**	**27,007,806**	**248,892,629**	**41,147,823**	**3,409,207,078**
Fully Depreciated Fixed Assets	**--**	**6,493,235**	**166,464,446**	**16,142,365**	**4,134,943**	**6,200,619**	**199,435,608**

- The company's land in Suez Governorate, valued at EGP 38.43 million, has not yet been registered.
- The cost of depreciated assets in books and still operating on June 30, 2026 amounted to EGP 199.4 million.
- Fixed assets are not mortgaged as collateral for loans and credit facilities granted to the company according to the latest commercial register issued on February 12, 2026 and according to the medium-term financing contract dated 29/03/2017 concluded between Alexandria Bank and Suez Fertilizer Manufacturing Company (the subsidiary), in which the Financial and Industrial Company (the parent company) provided a joint guarantee to the subsidiary, which stipulates not to sell, mortgage, issue a power of attorney to sell, mortgage, assign or lease any of the assets of the two parties (the Egyptian Financial and Industrial Company - the subsidiary - Suez Fertilizer Manufacturing Company) or in general to take any action that would cause any material harmful effect, and that is throughout the financing period until its full repayment of the principal, returns, commissions, expenses and any other accessories, before obtaining prior written approval from the bank.



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4. Fixed Assets (Continued)

For The Six Month Ended At 30/06/2025	Land	Buildings	Machinery & Equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance At January 1, 2025	**415,982,675**	**481,115,866**	**2,807,686,111**	**58,204,166**	**37,535,249**	**39,484,090**	**3,840,008,157**
Additions During The Period	--	21,737,896	140,376,715	2,250,000	3,285,230	1,690,474	**169,340,315**
Settelements	--	(6,538,494)	--	--	--	--	**(6,538,494)**
Disposal During The Period	--	--	(6,481,716)	--	--	--	**(6,481,716)**
Cost At June 30, 2025	**415,982,675**	**496,315,268**	**2,941,581,110**	**60,454,166**	**40,820,479**	**41,174,564**	**3,996,328,262**
Accumulated Depreciation At January 1, 2025	--	67,064,499	**708,386,645**	**30,337,928**	**8,972,102**	**13,578,740**	**828,339,914**
Depreciation During The Period	--	8,798,787	61,584,548	4,027,433	1,638,896	1,855,711	**77,905,375**
Settelements	--	(50,391)	218,998	927	--	--	**169,534**
Disposal Accumulated Depreciation During The Period	--	--	(6,481,716)	--	--	--	**(6,481,716)**
Accumulated Depreciation At June 30, 2025	**--**	**75,812,895**	**763,708,475**	**34,366,288**	**10,610,998**	**15,434,451**	**899,933,107**
Net Book Value At June 30, 2025	**415,982,675**	**420,502,373**	**2,177,872,635**	**26,087,878**	**30,209,481**	**25,740,113**	**3,096,395,157**
Net Book Value At December 31, 2024	**415,982,675**	**414,051,367**	**2,099,299,466**	**27,866,238**	**28,563,146**	**25,905,350**	**3,011,668,242**
Fully Depreciated Fixed Assets	**--**	**6,493,235**	**164,856,139**	**14,069,558**	**4,118,783**	**6,109,330**	**195,647,045**

- The company's land in Suez Governorate, valued at EGP 38.43 million, has not yet been registered.
- Fixed assets (land) include a vacant plot of land in the Bani Ghaleb village in Assiut Governorate, with an area of approximately 5.3 Feddans for industrial purposes and will be used to serve the company's activities
- The cost of depreciated assets in books and still operating on June 30, 2025 amounted to EGP 195.6 million.
- Fixed assets are not mortgaged as collateral for loans and credit facilities granted to the company according to the latest commercial register issued on April 20, 2025 and according to the medium-term financing contract dated 29/03/2017 concluded between Alexandria Bank and Suez Fertilizer Manufacturing Company (the subsidiary), in which the Financial and Industrial Company (the parent company) provided a joint guarantee to the subsidiary, which stipulates not to sell, mortgage, issue a power of attorney to sell, mortgage, assign or lease any of the assets of the two parties (the Egyptian Financial and Industrial Company - the subsidiary - Suez Fertilizer Manufacturing Company) or in general to take any action that would cause any material harmful effect, and that is throughout the financing period until its full repayment of the principal, returns, commissions, expenses and any other accessories, before obtaining prior written approval from the bank.



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5. Intangible Assets

	30/06/2026	31/12/2025
	EGP	EGP
Cost At The Beginning Of The Period / Year	15,017,725	15,017,725
Cost At The End Of The Period / Year	**15,017,725**	**15,017,725**
Accumulated Amortization At Beginning Of The Period / Year	1,505,877	4,103
Amortization During The Period / Year	744,715	1,501,774
Accumulated Amortization At The End Of The Period / Year	**2,250,592**	**1,505,877**
Net Book Value At The End Of The Period / Year	**12,767,133**	**13,511,848**

- The intangible assets are represented in Enterprise Resource Planning of SAP and Solex.

6. Investment Property

	30/06/2026	31/12/2025
	EGP	EGP
Kafr El-Zayat Lands	22,380,174	22,380,174
Assiut Lands	6,757,479	6,757,479
Total Investment Property	**29,137,653**	**29,137,653**

- These consist of leased land with an area of 3 feddans and 32 kirats in Kafr El-Zayat, 2 feddans, 23 kirats, and 23 sahms in Assiut, as well as idle (unused) land with an area of 5 feddans, 8 kirats, and 16 sahms in Bani Ghaleb, Assiut, and one feddan in Kafr El-Zayat. It was impracticable to determine the fair value of these investments as of June 30, 2026, due to the magnitude of the fair value determination fees compared to their rental value."

7. Projects Under Construction

	30/06/2026	31/12/2025
	EGP	EGP
Machinery & Equipments Under Installations	429,436,927	278,116,475
Buildings & Constructions	175,744,693	132,257,876
Advance Payments	165,554,969	56,690,528
SAP	11,652,917	10,086,777
Others	2,259,160	1,474,933
Total Projects Under Construction	**784,648,666**	**478,626,589**

8. Financial Investments At Fair Value Through Profit Or Loss

	30/06/2026	31/12/2025
	EGP	EGP
Investment In Governmental Bonds	306,830	306,830
Financial Investments At Fair Value Through Profit & Loss	**306,830**	**306,830**

- The company does not deal in investments that have an active market or are not listed on the stock exchange, except for governmental bonds deposited in the National Investment Bank and the Ministry of Finance, whose subsequent value is represented in the certificates face value received from the National Investment Bank and the Ministry of Finance on December 31, 2025.

9. Inventory

	30/06/2026	31/12/2025
	EGP	EGP
Raw Materials	1,933,237,654	2,335,556,329
Spare Parts	549,953,726	433,655,741
Packaging & Packaging Materials	39,094,975	44,653,585
Fuel, Oil & Others	12,608,980	9,614,054
Scraps	31	41
Finished Goods	2,494,242,855	1,155,485,897
LCs For Purchasing Spare Parts	29,997,217	309,729,574
Total Inventory	**5,059,135,438**	**4,288,695,221**
(Less):		
Impairment Of Inventory	(37,993,321)	(5,410,676)
Net Inventory	**5,021,142,117**	**4,283,284,545**

The Impairment Of Inventory Is Represented As Follows:	**30/06/2026**	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year	5,410,676	4,953,566
Formed During The Period / Year	32,582,645	457,110
Balance At The End Of The Period / Year	**37,993,321**	**5,410,676**

10. Trade & Notes Receivables

	30/06/2026	31/12/2025
	EGP	EGP
Trade Receivables	201,965,908	397,557,115
Notes Receivables	122,496,674	12,151,306
Total Trade & Notes Receivables	**324,462,582**	**409,708,421**
(Less):		
Expected Credit Losses	(18,930,872)	(19,022,069)
Net Trade & Notes Receivables	**305,531,710**	**390,686,352**

Balance Of Expected Credit Losses Is As Follows:	**30/06/2026**	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year	19,022,069	19,811,458
Formed During The Period / Year	--	409,407
No Longer Required During The Period / Year	(91,197)	(1,198,796)
Balance At The End Of The Period / Year	**18,930,872**	**19,022,069**



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11. Debtors & Other Debit Balances

	30/06/2026	31/12/2025
	EGP	EGP
Suppliers - Advance Payments	559,800,745	283,953,132
Prepaid Expenses	9,660,530	9,425,986
Tax Adjustments -VAT	899,021,237	899,021,237
Value Added Tax	360,260,212	437,204,881
Other Debtors	69,452,554	59,844,417
Total Debtors & Other Debit Balances	**1,898,195,278**	**1,689,449,653**
(Less):		
Expected Credit Losses	(1,266,994)	(1,266,994)
Net Debtors & Other Debit Balances	**1,896,928,284**	**1,688,182,659**

Balance Of Expected Credit Losses Is As Follows:	30/06/2026	31/12/2025
	EGP	EGP
Balance At Beginning Of The Period / Year	1,266,994	2,308,838
Formed During The Period / Year	--	529,306
No Longer Required During The Period / Year	--	(1,570,727)
Used During The Period / Year	--	(423)
Balance At End Of The Period / Year	**1,266,994**	**1,266,994**

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12. Related Party Transactions

Related Parties are represented in the shareholders, members of board of directors and companies that the shareholders own directly or indirectly shares that give them significant influence or control. The following is a list of the important transactions carried out during the period and the balances of related parties at the date of the Consolidated Interim Financial Statement:

1- Due From Related Parties	Relationship	Nature Of Transaction	Transactions-Amount During The Period	30/06/2026	31/12/2025
			EGP	EGP	EGP
El Nasr Mining Company - Supplier	Shareholder	Purchase of Phosphate	533,088,640	39,185,023	10,651,873
Samad Misr Company - Customer	Shareholder	Fertilizers Sales	18,720,077	--	5,753,019
		Notes Receivables	--	--	51,717,664
Medvert Misr For Investments - Customer	Shareholder	Fertilizers Sales	307,861,378	597,726,025	330,668,968
El Safa International Company	Shareholder	Fertilizers & Sulphate Sales	263,618,186	54,338,211	413,094,308
		Notes Receivables	--	67,323,224	103,917,184
		Purchase Of Sulphur	93,893,349	38,202,376	38,202,376
FERTIMED Egypt For Fertilizers and Chemicals (Formerly Abu Zaabal Fertilizers & Chemicals)	Shareholder	Phosphoric Acid Purchases	--	734,060	734,060
Fertimed Agri-Fert - Customer	Shareholder	Fertilizers Sales	300,259,867	86,390,258	8,210,832
		Notes Receivables	--	34,479,998	214,110,552
Medvert Misr Trading Company - Customer	Shareholder	Fertilizers Sales	322,041,748	185,751,748	--
Sport Club	Activity-Follow UP	Dividends	8,705,039	2,452,023	--
Total Due From Related Parties				**1,106,582,947**	**1,177,060,836**
(Less):					
Impairment Of Due From Related Parties				(610,927)	(610,927)
Net Due From Related Parties				**1,105,972,020**	**1,176,449,909**

2- Due To Related Parties	Relationship	Nature Of Transaction	Transactions-Amount During The Period	30/06/2026	31/12/2025
			EGP	EGP	EGP
El Nasr Mining Company - Supplier	Shareholder	Suppliers- Notes Payable	--	--	271,955,000
El Safa International Company - Supplier	Shareholder	Magnesium Oxide Purchases	--	--	21,389,820
Medvert Misr Trading Company - Customer	Shareholder	Fertilizers Sales	--	--	80,067,891
Medvert Misr For Investments - Supplier	Shareholder	Purchase of Phosphate	--	--	17,027,435
Egyptian Copper Company - Customer	Shareholder	Acid Sales	972,853	239,119	195,076
Samad Misr Company - Customer	Shareholder	Fertilizers Sales	40,271,888	5,016	--
Total Due To Related Parties				**244,135**	**390,635,222**

Impairment Of Due From Related Parties Is Represented As Follows:	30/06/2026	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year	610,927	--
Formed During The Period / Year	--	994,514
No Longer Required During The Period / Year	--	(383,587)
Balance At The End Of The Period / Year	**610,927**	**610,927**

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13. Cash & Cash Equivalents

	30/06/2026	31/12/2025
	EGP	EGP
Banks - Current Accounts	170,456,479	154,094,871
Banks - Time Deposits	167,280,000	44,762,800
Cash On Hand	2,800,066	2,630,069
Total Cash & Cash Equivalents	**340,536,545**	**201,487,740**
(Less):		
Banks Credit Balances	--	(3,937,679)
Cash & Cash Equivalents According To Statement Of Cash Flows	**340,536,545**	**197,550,061**

14. Capital

14-1 Authorized Capital

The authorized capital consists of 200 million ordinary shares with a nominal value of EGP 10 per share with a total value EGP 2 Billion based on the decision of the Extraordinary General Assembly held on December 29, 2016, and annotated in the commercial register on January 22, 2017.

14-2 Issued & Paid Up Capital

	30/06/2026
	EGP
The company's issued and paid-up capital is set at EGP 1,000,000,000 (one Billion Egyptian pounds), divided into 100,000,000 shares, with a nominal value of EGP 10 per share. All shares are cash shares, and the capital has been paid as follows:	
First: The issued and paid-up capital before the increase (distributed on 6,497,028 shares with a nominal value of 40 pounds).	259,881,120
Second: Capital Increase Capital Increase Based On The Decision Of The Extraordinary General Assembly In April 2004 (Distributed Over 6,497,028 Shares With A Nominal Value Of 40 Million Egyptian Pounds) For A Total Number Of Shares To 12,994,056 Shares And Was Annotated In The Commercial Register On July 5, 2004.	259,881,120
Capital Increase As A Result Of The Free Share Distribution Of A Share For Every Three Shares And The Split Of The Nominal Value Of The Share From Forty Pounds To Ten Pounds According To The Approval Of The General Investment Authority On August 15, 2007 And Based On The Decision Of The Ordinary General Assembly On April 19, 2008 And Was Annotated In The Commercial Register On June 29, 2008	173,254,080
Capital Increase Based On The Resolution Of The Ordinary General Assembly On December 29, 2016 And Based On The Resolution Of The Ordinary General Assembly Of The Company On April 26, 2016 To Distribute Dividends To Shareholders In The Form Of Bonus Shares At The Rate Of 5% Of The Nominal Value Of Each Share And Was Annotated In The Commercial Register On January 22, 2017.	34,650,820
Pursuant to the Ordinary General Assembly resolution dated 30 March 2024, the Company approved a capital increase by distributing bonus shares to shareholders at a ratio of 0.3742547176 of the nominal value per share. The increase was registered in the Commercial Register on 20 April 2025, reflecting an increase of 27,233,286 shares. The Egyptian Exchange completed the necessary registration procedures on 6 August 2025.	272,332,860
Issued & Paid Up Capital	**1,000,000,000**

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14. Capital (Continued)

14.3 Ownership Structure

Ownership Structure At June 30, 2026 As Follows:

Shareholder Name:	Shareholding	No. Of Shares	Share Value
	%		EGP
Medvert Egypt for Investment S.A.E.	33.033%	33,033,169	330,331,690
Metal Industries Company S.A.E.	27.729%	27,728,911	277,289,110
Free Float shares	12.499%	12,499,148	124,991,480
Social Insurance Fund For Government Sector Employees	9.357%	9,357,256	93,572,560
Saudi Egyptian Industrial Investment Company S.A.E.	5.126%	5,126,210	51,262,100
Mohamed Ibrahim Ibrahim El-Saeidy	2.068%	2,067,858	20,678,580
El Nasr Mining Company S.A.E.	1.443%	1,442,967	14,429,670
Ali Awad Ali El-Sayyad	1.443%	1,442,967	14,429,670
Insurance Fund For Employees in the Public & Private Business Sectors	1.408%	1,408,208	14,082,080
Mohamed Omar Mahmoud Radwan	1.275%	1,275,335	12,753,350
Mohamed Ibrahim El-Desouky Mohamed Mohamed El-Banna	1.260%	1,259,510	12,595,100
National Investment Bank	1.101%	1,100,947	11,009,470
Hanaa Ibrahim Ibrahim El-Saeidy	1.023%	1,022,860	10,228,600
Suzan Ibrahim Ibrahim El-Saeidy	1.013%	1,013,192	10,131,920
Related Parties To Medvert Egypt For Investment S.A.E.	0.142%	141,942	1,419,420
Shares Not Deposited In The Central Depository	0.080%	79,520	795,200
Total Issued & Paid Up Capital	**100%**	**100,000,000**	**1,000,000,000**

15. Reserves

	Balance At 01/01/2026	Transferred To Reserves	Balance At 30/06/2026
	EGP	EGP	EGP
Legal Reserve	303,423,442	31,692,546	335,115,988
Statutory Reserve	211,424,228	62,530,155	273,954,383
Unusual Reserve	80,000,000	--	80,000,000
Reserve Invested In Government Bonds	306,830	--	306,830
Total Reserves	**595,154,500**	**94,222,701**	**689,377,201**
Non - Controlling Interest	(320,937)	(41,673)	(362,610)
Total	**594,833,563**	**94,181,028**	**689,014,591**

16. Income Tax

16.1 Income Tax Liability

	30/06/2026	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year (Liability)	254,293,959	436,966,991
Tax On Treasury Bills & Dividends	--	39,510,855
Settlement Of The Corporate Tax - Debit Balance	(76,134,929)	18,234,984
Income Tax Paid During The Period / Year	(178,159,030)	(494,712,830)
Income Tax For The Period / Year	191,663,281	254,293,959
Balance At End Of The Period / Year	**191,663,281**	**254,293,959**

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16. Income Tax (Continued)

16.2 Deferred Tax Liabilities

Fixed Assets & Depreciation

	30/06/2026	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year (Liability)	376,400,849	305,052,754
Recognition Of Deferred Tax Liability On Fixed Assets	4,797,703	71,348,095
Balance At End Of The Period / Year	**381,198,552**	**376,400,849**

16.3 Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized in respect of these items due to the absence of significant assurance that the Company can utilize these benefits in the future.

	30/06/2026	31/12/2025
	EGP	EGP
Impairment Of The Value Of Assets / Inventory	8,548,497	1,217,402
Impairment Of The Value Of Trade Receivables	4,681,979	4,702,499
Provisions	54,842,622	55,132,392
Total	**68,073,098**	**61,052,293**

16.4 Settlement To Reach The Local Tax Rate

	30/06/2026	31/12/2025
	EGP	EGP
Net Profit For The Period / Year Before Tax	869,945,442	1,184,904,910
Tax Based On Local Tax Rate	**195,737,724**	**266,603,605**
Provision- Formed	7,331,095	50,646,139
Provision- No Longer Required	(245,519)	(9,138,123)
Provision- Used	--	(223,766)
Capital Gains	(154,125)	(3,830)
Depreciation Differences	(34,035,162)	(69,328,524)
Amounts That Are Not Include In The Profit Or Loss Statement & Are Considered Deductible Costs	--	(1,982,957)
Exemptions	--	(88,902,917)
Other Additions To Net Accounting Profit / Other Deduction To Net Accounting Profit	21,168,518	15,205,120
Settelements	--	88,935,212
General Assembly & Boards Of Directors Attendance Allowance	1,860,750	2,484,000
Tax Based On Local Tax Rate	**191,663,281**	**254,293,959**
	22.03%	**21.46%**

16.5 Current Income Tax

	30/06/2026	31/12/2025
	EGP	EGP
Tax Based On Local Tax Rate	191,663,281	254,293,959
Dividends Tax	--	39,510,855
Total	**191,663,281**	**293,804,814**

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17. Banks - Credit Facilities

	Credit Limit	Interest Rate	30/06/2026	31/12/2025
		%	EGP	EGP
Al Baraka Bank - EGP	300,000,000	20.25	222,852,360	207,892,234
Banque Misr - EGP (Related Parties)	250,000,000	20.00	136,399,283	19,998,965
Bank Of Alexandria - EGP	508,000,000	20.75	68,169,786	47,016,441
Qatar National Bank Al Ahli - EGP	1,110,000,000	20.25	377,762,755	292,611,450
Qatar National Bank Al Ahli - USD	--	--	378,646,870	307,534,018
National Bank Of Egypt - EGP	170,000,000	20.75	9,886,829	17,940,248
Kuwait Financing House -EGP	700,000,000	20.25	193,770,610	69,812,834
National Bank Of Kuwait - EGP	450,000,000	20.00	265,831,528	292,262,477
Abu Dhabi Islamic Bank - EGP	300,000,000	20.50	113,735,588	73,431,783
Next Bank - EGP	2,800,000,000	20.00	559,348,912	762,894,646
Qatar National Bank Al Ahli - EUR	--	--	213	212
Qatar National Bank Al Ahli - GBP	--	--	205	202
Commercial International Bank - EGP	1,259,000,000	15 , 20	679,235,299	778,110,507
Agricultural Bank - EGP	250,000,000	20.25	120	12,719,396
NBD-EGP	250,000,000	20.25	52,181,613	56,014,192
WAFA Commercial Bank - EGP	200,000,000	20.5	112,774,810	109,687,125
National Bank Of Kuwait - EGP	700,000,000	20.25	296,000,000	19,777,648
National Bank Of Kuwait - USD	703,000,000	--	194,410,598	858,751,287
Next Bank - USD	--	--	1,329,168,894	958,006,631
Agricultural Bank - USD	--	--	18,054	127,750,538
National Bank Of Kuwait - USD	--	--	--	2,383,566
Bank Of Alexandria - USD	204,000,000	--	234,895,213	239,723,643
Abu Dhabi Islamic Bank - USD	--	--	83,266,510	107,748,090
Abu Dhabi Islamic Bank - EUR	--	--	--	--
Suez Canal Bank-EGP	300,000,000	20.25	4,566,006	--
Export Development Bank - USD	250,000,000	--	74,278,124	--
Total			**5,387,200,180**	**5,362,068,133**

- Guarantees: Suez Fertilizer Manufacturing Company (subsidiary) owned by our company is guaranteed at rate of 99.86% + promissory note.
- The available facilities to be used in future operating activities around EGP 2,588 Billion and there are no restrictions on the use of these amounts.

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18. Non-Controlling Interest

	Issued & Paid -Up Capital	Reserves	Retained Earnings	30/06/2026	31/12/2025
	EGP	EGP	EGP	EGP	EGP
Balance At The Beginning Of The Period / Year	**664,300**	**320,937**	1,838,109	**2,823,346**	2,922,033
Transferred To Reserves During The Period / Year	--	41,673	--	41,673	74,349
Dividends During The Period / Year	--	--	(531,448)	(531,448)	(963,236)
Net Profit During The Period / Year	--	--	441,037	441,037	790,199
Balance At The End Of The Period / Year	**664,300**	**362,610**	**1,747,698**	**2,774,608**	**2,823,346**

19. Loans

19-1 Long - Term Loans

	30/06/2026	31/12/2025
	EGP	EGP
National Bank Of Kuwait - EGP *	5,613,681	7,484,909
National Bank Of Kuwait - Foreign currencies *	57,189,972	73,809,478
Commercial International Bank - EUR**	235,929,416	327,818,757
Commercial International Bank EGP **	253,426,448	197,070,136
Commercial International Bank - USD**	1,546,541	1,746,457
National Bank Of Kuwait EGP*****	16,315,385	19,115,385
National Bank Of Kuwait - USD *****	226,527,779	129,847,622
Export Development Bank - USD	655,895,210	--
Total Long-Term Loans	**1,452,444,432**	**756,892,744**

19-2 Loans Due Within One Year

	30/06/2026	31/12/2025
	EGP	EGP
National Bank Of Kuwait - EGP	3,742,454	3,742,454
National Bank Of Kuwait -USD	38,126,648	36,904,739
Commercial Bank - EGP	22,614,250	22,614,250
Commercial Bank - EUR	74,995,813	82,412,762
Commercial Bank - USD	515,481	498,960
National Bank Of Kuwait - EGP	5,600,000	5,600,000
National Bank Of Kuwait - Foreign Currency	29,166,574	22,848,355
Export Development Bank of Egypt - USD	167,611,499	--
Total Loans Due Within One Year	**342,372,719**	**174,621,520**
Total Loans	**1,794,817,151**	**931,514,264**

* The National Bank Of Kuwait loan to rehabilitate the sulfuric acid unit in Kafr - El Zayat amounting to USD 4.8 million and the right to use in foreign currency up to a maximum of $ 3.90 million of the loan value and interest of 3.50% plus 6 months, including the commission of the highest balance on the division in foreign currency, paid in 10 equal semi-secondary installments not including interest and a grace period of two years from the date of signing the contract in 01/09/2021, In addition to 26.5 million Egyptian pounds with an interest of 0.5% in addition to the corridor price with the same previous payment terms.

** The Commercial International Bank (EPAP) loan to rehabilitate the sulfuric acid unit in Assiut amounting to USD/Euro 8.715 million with an interest of 2% in addition to the six-month LIBOR return rate annually, in addition to EGP 75 million at an interest of 0.5% plus the Corridor interest rate for lending announced by the Central Bank of Egypt annually. The company is obliged to repay the loan amount in 11 semi-annual installments starting after the end of the grace period, according to the schedule indicated in the contract. Under the facility contract, the bank grants a percentage of the value of the facility granted to the borrower under this contract at the rate of 10%, 14.5% or 21.8% in accordance with the conditions specified in the contract.

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19. Loans (Continued)

19-2 Loans Due Within One Year (Continued)

*** The Commercial International Bank (EPAP) loan To purchase two magnesium sulphate and zinc sulphate production lines in Assiut for an amount of 1.324 million euros at an interest rate of 2% in addition to the LIBOR rate for six months, in addition to 60 million Egyptian pounds at an interest rate of 0.70% in addition to the Corridor lending rate announced by the Central Bank, to be paid in 12 semi-annual installments after the end of the allowance period 18 months.

**** During the period A loan contract was concluded with the Commercial International Bank to purchase 4 potassium sulphate production lines and a calcium chloride unit production line in Ain Sokhna amounting to USD 3.81 million with an interest rate of 3.5% over 6 months annually, in addition to 175 million Egyptian pounds with an interest rate of 0.8% plus the Corridor interest rate for lending announced by the Central Bank of Egypt, to be repaid in 13 semi-annual installments starting after a grace period of one year from the date of the first withdrawal.

***** The company contracted with the National Bank of Kuwait on a loan to purchase a potassium sulphate production line in Ain Sokhna for an amount of $3,192 million with an interest rate of 3.5%, SOFR 3 months annually, in addition to 28 million Egyptian pounds with an interest rate of 1% in addition to the Corridor loan rate announced by the Central Bank, to be paid in 20 installments. Quarterly, starting after allowances period of one year from the date of the first withdrawal.

- **Suez Company For Fertilizer Production**

  The balance represents a loan obtained from the Export Development Bank of Egypt (EBE) amounting to USD 17,000,000 or its equivalent in other currencies, aimed at financing the permanent level of the Company's inventory of raw materials and production supplies. Grace period: Six months from the date of the first drawdown, during which the return is paid on a quarterly basis. Repayment system: The financing is to be repaid over 20 equal quarterly installments, the first of which is due six months after the date of the first drawdown from the financing, and any differences shall be settled with the final installment. Return rate: A return rate of 1.55% above the 6-month Term SOFR is applied for the USD indebtedness, and a return rate of 1.55% above the 6-month LIBOR is applied for indebtedness in other foreign currencies.

20. Trade & Notes Payables

	30/06/2026	31/12/2025
	EGP	EGP
Trade Payables	609,319,273	517,866,818
Notes Payables	340,236,720	249,859,629
Due Within One Year	**949,555,993**	**767,726,447**
Long -Term Notes Payables	--	2,000,000
Total Trade & Notes Payables	**949,555,993**	**769,726,447**

21. Creditors & Other Credit Balances

	30/06/2026	31/12/2025
	EGP	EGP
Customers - Advance Payments	101,613,459	162,255,676
Deposits To Others	36,427,431	40,797,394
Tax Authority - Credit Balances	13,537,003	21,786,503
Accrued Expenses	44,067,203	50,426,858
Deductions From Employees, Agricultural Syndicate & Others	33,925,402	36,314,761
Dividends Payables	118,881,957	47,031,239
Social Insurance Authority	7,826,818	4,843,895
Deposits To Employees	222,411	256,904
Social Comprehensive Health Insurance Contribution	19,039,260	28,064,210
Unearned Revenues*	71,879,801	4,407,542
Miseallaneous Creditors	5,997,904	3,481,621
Total Creditors & Other Credit Balances	**453,418,649**	**399,666,603**

* The balance is represented in the remaining amount of the grant value received by the company from the Ministry of Environment amounting to EGP 1,443,140 for connecting the natural gas line to the factories, which was added to the fixed assets and revenue is consumed over the useful life of the asset.

* The balance represents the amounts of the grants received by the company from the Ministry of Environment for the Magnesium Sulphate Unit project amounting to EUR 170,573 and the rehabilitation of the Acid Production Unit in Assiut amounting to EUR 959,742, recorded under deferred revenue. This revenue is amortized over the useful life of the asset.

22. Provisions

	30/06/2026	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year	245,032,853	59,790,013
Formed. During The Period / Year	--	222,703,614
No Longer Required During The Period / Year	(1,000,000)	(37,460,774)
Used During The Period / Year	(287,869)	--
Balance At The End Of The Period / Year	**243,744,984**	**245,032,853**

- The provision represents the value of claims for a liability of uncertain time or amount related to the company's activities (cases filed by third parties against the company). The management reviews these provisions periodically and adjusts the amount of the provision according to the latest developments, discussions and agreements with those parties, based on the opinion of the legal advisor.

23. Sales

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Granular Fertilizer Sales	5,573,552,225	4,469,286,482	2,471,952,624	2,054,406,289
Powder Fertilizer Sales	425,712,535	522,169,655	235,357,712	275,596,852
Acid Sales	908,504,006	229,517,949	592,908,135	106,271,677
Sulfuric Acid Processing	73,720,482	--	73,720,482	--
Magnesium Sulfate Sales	196,803,414	79,936,393	94,519,099	79,936,393
Magnesium Sulfate Processing	2,448,400	--	2,448,400	--
Ammonium Sulphate Sales	119,628,886	2,624,775	96,000,000	--
DCP Sales	--	4,323,295	--	--
Resale Goods Sales	--	4,000,000	--	--
Rendered Serivces Sales	682,213	127,400	380,626	70,215
Other	7,897,432	21,267,589	4,966,270	11,249,382
Total Sales	**7,308,949,593**	**5,333,253,538**	**3,572,253,348**	**2,527,530,808**

24. Cost Of Sales

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Raw Materials	5,693,481,750	3,366,103,251	2,943,827,628	1,895,151,952
Wages & Salaries	265,576,461	242,414,554	128,608,907	120,641,463
Fuel & Spare Parts	393,887,018	373,597,370	195,824,423	199,212,118
Depreciation Of Fixed Assets	84,874,295	63,958,787	40,082,229	32,885,657
Other Expenses	186,794,858	180,213,374	85,727,066	90,421,995
Changes In Inventory Of Finished Goods	(1,338,756,958)	(654,314,050)	(838,400,103)	(549,044,210)
Total Cost of Sales	**5,285,857,424**	**3,571,973,286**	**2,555,670,150**	**1,789,268,975**

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25. Other Operating Income

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Reversal Of Provisions	1,000,000	1,757,547	--	1,757,547
No Longer Impairment Trades & Notes Receivables	91,197	905,603	91,197	102,463
Capital Gains	685,000	17,023	--	--
Rent	110,374	68,700	110,374	68,700
Scrap Sale Income	89,328	28,945	89,328	28,945
Miscellaneous Revenues	8,953,617	6,377,699	(28,906,798)	3,264,852
Total Other Operating Income	**10,929,516**	**9,155,517**	**(28,615,899)**	**5,222,507**

26. Selling & Distribution Expenses

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Wages & Salaries	18,928,466	17,287,449	9,240,729	8,496,988
Packaging Materials	25,206,074	43,715,454	10,915,176	26,428,704
Fuel & Spare Parts	3,774,566	2,156,399	2,299,157	1,465,017
Depreciation Of Fixed Assets	246,928	305,016	127,379	153,728
Other Expenses	305,186,610	241,457,622	185,953,731	137,112,032
Total Selling & Distribution Expenses	**353,342,644**	**304,921,940**	**208,536,172**	**173,656,469**

27. General & Administrative Expenses

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Wages & Salaries	75,836,408	70,608,664	39,377,813	36,182,149
Board Of Director Members Allowances	13,576,250	11,794,098	8,438,750	6,707,049
Depreciation Of Fixed Assets	20,025,706	13,641,572	12,036,221	6,493,756
Amortization Of Intangible Assets	744,715	744,715	374,415	744,715
Social Health Contribution	19,040,952	13,467,720	9,175,374	6,393,775
Bank Expenses	6,881,177	3,006,474	1,648,654	2,512,745
Other Expenses	55,188,577	58,747,783	31,706,034	25,224,122
Total General & Administrative Expenses	**191,293,785**	**172,011,026**	**102,757,261**	**84,258,311**

28. Other Operating Expenses

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Impairment Of Inventory	32,582,645	--	32,582,645	--
Provisions- Formed	--	6,162,080	--	1,516,562
Impairment Of Accounts/ Notes Receivable	--	468,966	--	--
Total Other Operating Expenses	**32,582,645**	**6,631,046**	**32,582,645**	**1,516,562**

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29. Finance Income

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Credit Interest & Deposit Returns	8,653,393	18,550,290	3,794,446	2,796,675
Credit Interest (Return On Advance Payments)	10,765,923	6,184,054	7,320,474	6,268,912
Total Finance Income	**19,419,316**	**24,734,344**	**11,114,920**	**9,065,587**

30. Finance Costs

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Interest Expense & Bank Commissions	473,759,527	435,037,551	256,527,137	233,785,020
Foreign Exchange Differences	132,521,670	44,095,019	(365,633,443)	14,964,347
Total Finance Costs	**606,281,197**	**479,132,570**	(109,106,306)	**248,749,367**

31. Investments Income

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP
Treasury Bills & Treasury Bonds Income	4,712	8,462	2,356	6,101
Total Investment Income	**4,712**	**8,462**	**2,356**	**6,101**

32. Basic Earnings Per Share For The Period (EGP/Share)

	For The Six Month Ended		For The Three Month Ended	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025
Net Income For The Period (EGP)	**673,043,421**	**643,688,095**	**598,273,656**	187,911,775
Less:				
Employees Profit Share (EGP)	(14,497,622)	(12,120,201)	(14,497,622)	(1,877,945)
Board Of Directors Remuneration (EGP)	(15,222,504)	(9,635,560)	(15,222,504)	(1,492,967)
Sport Activity (EGP)	(1,715,695)	(1,212,020)	(1,715,695)	(187,794)
Shareholders Profit Share (EGP)	**641,607,600**	**620,720,314**	**566,837,835**	**184,353,069**
Weighted Average Of Outstanding Shares During The Period (Share)	100,000,000	100,000,000	100,000,000	100,000,000
Basic Earnings Per Share For The Period (EGP/Share)	**6.42**	**6.21**	**5.67**	**1.84**

Employees' share in profits, board of directors' remuneration, and sports activity were determined in accordance with the Board of Directors' proposal.

33. Operating Segments Reporting

The company has (4) operating segments, presenting financial reports to the senior management, and these reports present different products and services that Consolidated basis as it requires different technological and marketing strategies.
Operating segments reporting as follows: -

Segment Reporting	**Operation**
Acids	Manufacturer and Distribution Of Acids
Fertilizers	Manufacturer and Distribution Of Fertilizers
Ammonium Sulfate	Manufacturer and Distribution Of Ammonium Sulfate
DCP	Manufacturer and Distribution Of DCP

- Segments are being identified according to the internally adopted method for the presentation of financial reports to the senior management.
- A segment is a group of related assets and operations that have risks and benefits that are different from those associated with segments operating in a different economic environment.

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33. Operating Segments Reporting (Continued)

33.1 Operating Segments Conslidated Statement Of Profit or Loss

	Acid Sector Results		Fertilizer Sector Results		Ammonium Sulfate Sector Results		DCP Sector Results		Total	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP	**EGP**	EGP	**EGP**	EGP	**EGP**	EGP
Sales	830,938,045	244,152,652	6,358,382,662	5,071,392,532	119,628,886	2,624,775	--	15,083,579	7,308,949,593	5,333,253,538
(Less)										
Cost Of Sales	(456,375,946)	(59,172,543)	(4,752,322,412)	(3,493,459,313)	(77,159,066)	(5,689,538)	--	(3,651,892)	(5,285,857,424)	(3,571,973,286)
Gross Profit	**374,562,099**	**174,980,109**	**1,606,060,250**	**1,577,933,219**	**42,469,820**	**(3,064,763)**	--	**11,431,687**	**2,023,092,169**	**1,761,280,252**
Add/(Less)										
Other Opearating Income	3,959,526	1,097,894	6,969,990	7,991,292	--	(28,842)	--	95,173	10,929,516	9,155,517
Selling & Distribution Expense	(4,933,861)	(566,208)	(344,863,080)	(304,167,170)	(3,545,703)	(101,276)	--	(87,286)	(353,342,644)	(304,921,940)
General And Distribution Expense	(38,528,969)	(11,979,685)	(151,327,223)	(159,927,524)	(1,437,593)	(39,219)	--	(64,598)	(191,293,785)	(172,011,026)
Other Opearating Expense	(9,233,568)	(199,630)	(23,349,077)	(6,431,416)	--	--	--	--	(32,582,645)	(6,631,046)
Opearting Results	**325,825,227**	**163,332,480**	**1,093,490,860**	**1,115,398,401**	**37,486,524**	**(3,234,100)**	--	**11,374,976**	**1,456,802,611**	**1,286,871,757**
Add/(Less)										
Finance Income	3,043,294	1,383,500	16,281,343	23,118,941	94,679	54,438	--	177,465	19,419,316	24,734,344
Finance Cost	(81,886,769)	(28,598,677)	(518,858,256)	(450,085,750)	(5,536,172)	(169,295)	--	(278,848)	(606,281,197)	(479,132,570)
Net Finance (Cost)	**(78,843,475)**	**(27,215,177)**	**(502,576,913)**	**(426,966,809)**	**(5,441,493)**	**(114,857)**	--	**(101,383)**	**(586,861,881)**	**(454,398,226)**
Investment Income	1,335	801	3,377	7,661	--	--	--	--	4,712	8,462
Net Profit For The Period Before Tax	**246,983,087**	**136,118,104**	**590,917,324**	**688,439,253**	**32,045,031**	**(3,348,957)**	--	**11,273,593**	**869,945,442**	**832,481,993**
Add/(Less)										
Income Tax	(11,964,123)	(6,116,604)	(173,877,735)	(160,163,223)	(5,821,423)	--	--	(2,511,337)	(191,663,281)	(168,791,164)
Deferred Tax	48,526	(1,600,114)	(4,456,978)	(17,802,130)	(389,251)	--	--	(61,636)	(4,797,703)	(19,463,880)
Net Profit For The Period After Tax	**235,067,490**	**128,401,386**	**412,582,611**	**510,473,900**	**25,834,357**	**(3,348,957)**	--	**8,700,620**	**673,484,458**	**644,226,949**

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33. Operating Segments Reporting (Continued)

33.2 Asset & Liability Operating Segments

	Acid Segment		Fertilizer Segment		Ammonium Sulfate Segment		DCP Segment		Other Segments		Total	
	30/06/2026	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025	**30/06/2026**	30/06/2025
	EGP	EGP	**EGP**	EGP	**EGP**	EGP	**EGP**	EGP	**EGP**	EGP	**EGP**	EGP
Assets Of Segments	1,236,885,371	1,200,364,826	1,876,176,440	1,700,717,063	154,949,309	154,753,011	35,122,489	34,788,289	5,511,737	5,771,968	3,308,645,346	3,096,395,157
Intangible Assets	3,854,299	4,605,186	8,912,834	9,663,721	--	--	--	--	--	--	12,767,133	14,268,907
Investment property	11,655,061	--	17,482,592	--	--	--	--	--	--	--	29,137,653	--
Project Under Constructions	178,337,181	87,465,556	580,178,615	386,600,266	26,132,870	20,036,497	--	--	--	--	784,648,666	494,102,319
Investments	122,730	122,460	184,100	183,689	--	--	--	--	--	--	306,830	306,149
Current Assets	1,311,474,120	1,638,733,246	6,704,655,784	3,893,619,095	35,425,459	6,443,053	32,173,561	9,058,208	621,922,919	691,427,854	8,705,651,843	6,239,281,456
Total Assets	**2,742,328,762**	**2,931,291,274**	**9,187,590,365**	**5,990,783,834**	**216,507,638**	**181,232,561**	**67,296,050**	**43,846,497**	**627,434,656**	**697,199,822**	**12,841,157,471**	**9,844,353,988**
Liabilities Of Segments	1,927,782,206	2,055,660,299	4,351,593,839	2,901,318,720	110,688,773	60,102,349	51,887,884	27,400,144	1,126,247,239	808,872,516	7,568,199,941	5,853,354,028
Non Current Liabilities	32,950,896	5,303,735	608,077,958	124,854,003	24,398,763	3,927,194	12,776,225	2,056,445	1,155,439,142	948,885,209	1,833,642,984	1,085,026,586
Total Liabilities	**1,960,733,102**	**2,060,964,034**	**4,959,671,797**	**3,026,172,723**	**135,087,536**	**64,029,543**	**64,664,109**	**29,456,589**	**2,281,686,381**	**1,757,757,725**	**9,401,842,925**	**6,938,380,614**
Accumulated Depreciation&Amortization	**527,778,901**	**441,318,151**	**509,280,081**	**388,333,075**	**53,218,046**	**53,697,830**	**15,070,003**	**15,331,213**	**2,558,896**	**2,001,654**	**1,107,905,927**	**900,681,923**

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34. Legal Position

First: Egyptian Financial & Industrial Company (Parent Company)

- A legal judgment issued against the former Head of the Financial Sector. The judgment pertains to a case filed by the company, alleging embezzlement of approximately EGP 28.5 million. The ruling mandates the return of this amount to the company, along with a fine of an equal amount.
- An arbitration claim has been filed by Heliopotas France against the Company regarding the contracts dated November 30, 2023 and January 11, 2024 for the purchase of 21,400 tons of superphosphate fertilizer, seeking an amount of €4,200,000 and additional charges, equivalent to EGP 215,468,257.

Second: Suez Company For Fertilizer Production (Subsidiary Company)

- There is one case filed by the Company against the sales tax authority for EGP 24,779, representing sales tax on the employee fund, which is applied by the Egyptian Financial and Industrial Company, while the tax authority refuses to apply it to our Company. Additionally, there is an appeal regarding the results of the Value Added Tax audit for the period 2017–2019, for which a dispute settlement request was submitted to the Large Taxpayers Center, and the court announced the settlement outcome. Furthermore, there is an ongoing appeal concerning the assessed real estate tax on an office apartment of the Company in New Cairo, which is currently in litigation. No other cases have been filed against the Company.

35. Objectives & Policies Of Financial Instruments Risk Management

35.1 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk.
b) Liquidity risk.
c) Market risk.
d) Currency Risk
e) Interest Rate Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk As well as the Company's capital management, and presents certain additional quantitative disclosures included in these financial statements.

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. It also identifies and analyzes the risks faced by the Company to set appropriate risk limits and controls, and to monitor these risks and compliance with those limits.

a) Credit Risk

Credit risk arises from the risk that a counterparty to a financial instrument will fail to meet its obligations, exposing the other party to financial loss. This risk primarily arises from the Company's customers and other receivables.

Trade & Notes Receivables

The Company's exposure to credit risk is significantly influenced by the specific characteristics of each customer. It is also affected by the demographic characteristics of the Company's customer base, including industry-specific default risk, which has a lesser impact on overall credit risk.

The Company's sales are distributed across a large number of customers; therefore, there is no significant concentration of credit risk from a demographic perspective. The Company's management has established a credit policy under which a credit assessment is performed for each customer based on the payment and delivery terms offered. The Company also obtains advance deposits and post-dated cheques for the full value of sales prior to delivery. No prior losses have arisen from dealings with customers.

Investments

The Company mitigates its exposure to credit risk by conducting detailed investment studies, which are reviewed by the Board of Directors. The Company's management does not anticipate any default by counterparties in meeting their obligations.

Collateral

The Group's policy is to provide financial guarantees solely to its subsidiaries, if required, and only after approval by the Board of Directors and the Extraordinary General Assembly.

35. Objectives & Policies Of Financial Instruments Risk Management (Continued)

35.1 Financial Risk Management (Continued)

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation and the Company also ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

c) Market Risk

Market risk arises from the fluctuation of the fair value of the future cash flows of the financial instrument as a result of changes in market prices, such as foreign exchange rate risk, interest rate risk and equity instruments prices, which are risks that will affect the company's income, expenses and The value of its holdings of financial instruments.

The goal of market risk management is to manage and control risks within acceptable limits and at the same time achieve rewarding returns

d) Currency Risk

The Company is exposed to currency risk on sales and financial assets denominated in foreign currencies, which primarily consist of the US Dollar. In respect of monetary assets and liabilities denominated in other foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The Company's investments in subsidiaries are not hedged, as the currency positions of these companies are considered to be of a long-term nature. Furthermore, the Company does not enter into foreign currency hedging contracts.

e) Interest Rate Risk

The Company adopts a policy aimed at reducing interest rate volatility risks; therefore, the Company's management studies available financing alternatives and negotiates with banks to obtain the best available terms as well as the best possible interest rate. Borrowing contracts are presented to the Board of Directors, and the financing position and its burdens are periodically reviewed by the Company's senior management. Furthermore, the Company does not enter into interest rate hedging contracts.

Credit Risk

The book value of the financial assets is the maximum credit risk to which the company is exposed, and the maximum exposure to credit risk on the date of the Consolidated financial position is as follows:

	Note No.	30/06/2026	31/12/2025
		EGP	EGP
Financial Investments At Fair Value Through Profit & Loss	(8)	306,830	306,830
Trade & Notes Receivables	(10)	305,531,710	390,686,352
Debtors & Other Debit Balances	(11)	68,185,560	58,577,423
Due From Related Parties	(12-A)	1,105,972,020	1,176,449,909
Cash At Banks	(13)	337,736,479	198,857,671
		1,817,732,599	**1,824,878,185**

35. Objectives & Policies Of Financial Instruments Risk Management (Continued)

35.1 Financial Risk Management (Continued)

Liquidity Risk:

The Following Are The Contractual Terms Of Financial Obligations As Per The Consolidated Interim Financial Statements Date: -

In Egyptian Pounds	Note No.	Carrying Amount	12 Month Or Less	From 1-2 Years	From 2-5 Years
June 30, 2026		**EGP**	**EGP**	**EGP**	**EGP**
Long - Term Loans	(19)	1,794,817,151	342,372,719	684,745,438	767,698,994
Banks - Credit Facilities	(17)	5,387,200,180	5,387,200,180	--	--
Due To Related Parties	(12-B)	244,135	244,135	--	--
Trade & Notes Payables	(20)	949,555,993	949,555,993	--	--
Creditors & Other Credit Balances	(21)	192,520,152	192,520,152	--	--
Total		**8,324,337,611**	**6,871,893,179**	**684,745,438**	**767,698,994**
December 31, 2025					
Long - Term Loans	(19)	931,514,264	174,621,520	349,243,042	407,649,702
Banks - Credit Facilities	(17)	5,362,068,133	5,362,068,133	--	--
Due To Related Parties	(12-B)	390,635,222	390,635,222	--	--
Trade & Notes Payables	(20)	769,726,447	767,726,447	2000000	--
Creditors & Other Credit Balances	(21)	135,685,080	135,685,080	--	--
Total		**7,589,629,146**	**6,830,736,402**	**351,243,042**	**407,649,702**

Currency Risk

The following indicates the company's exposure to the risk of foreign currency exchange rates fluctuations as shown in the main foreign currencies:

35. Objectives & Policies Of Financial Instruments Risk Management (Continued)

35.1 Financial Risk Management (Continued)

June 30, 2026	USD	EUR	GBP	Total EGP
Banks Current Accounts & Deposits	5,376,440	1,303	--	265,131,890
Advances Payments To Suppliers	2,889,456	4,500	--	142,703,666
Due From Related Parties	15,892,850	--	--	783,517,505
Total Assets In Currency	**24,158,746**	**5,803**	**-**	**1,191,353,061**
Banks - Credit Facilities	48,438,543	11	6	2,388,021,182
Suppliers & Credit Balances	674,397	--	--	33,247,772
Advance Payment From Customers	812,267	61,000	--	43,480,893
Loans	23,866,541	5,519,692	--	1,487,544,722
Total Liabilities In Currency	**73,791,748**	**5,580,703**	**6**	**3,952,294,569**
(Deficit) Exposure To Risk	**(49,633,002)**	**(5,574,900)**	**(6)**	**(2,760,941,508)**
Equivalent In EGP	**(2,446,906,999)**	**(314,034,117)**	**(392)**	**(2,760,941,508)**

December 31, 2025	USD	EUR	GBP	Total EGP
Banks Current Accounts & Deposits	1,615,536	3,184	--	77,278,728
Advances Payments To Suppliers	9,724,747	--	--	464,116,862
Trade Receivables	3,782,145	--	--	180,552,057
Due From Related Parties	6,902,500	--	--	329,511,914
Total Assets In Currency	**22,024,928**	**3,184**	**--**	**1,051,459,561**
Banks - Credit Facilities	54,511,003	8	3	2,601,896,668
Loans	5,566,966	7,315,687	--	675,887,167
Due To Related Parties	1,565,000	--	--	74,710,054
Advance Payment From Customers	2,815,100	--	--	134,336,665
Suppliers & Credit Balances	847,026	646,520	--	76,674,054
Total Liabilities In Currency	**65,305,094**	**7,962,215**	**3**	**3,563,504,608**
(Deficit) Exposure To Risk	**(43,280,166)**	**(7,959,032)**	**(3)**	**(2,512,045,047)**
Equivalent In EGP	**(2,065,737,395)**	**(446,307,459)**	**(193)**	**(2,512,045,047)**

Exchange Rates For Currencies Against Egyptian Pound: -

	Average Exchange Rate		Closing Exchange Rate	
	30/06/2026	31/12/2025	**30/06/2026**	31/12/2025
	EGP	EGP	**EGP**	EGP
USD	50.83	49.19	49.30	47.72
Euro	59.38	55.73	56.33	56.08
GBP	68.50	65.11	65.38	64.27

Sensitivity Analysis

A 10% increase Or (decrease) in the exchange rates of other currencies against the Egyptian Pound as at 30 June, 2026 would have affected the measurement of foreign currency-denominated financial instruments and would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, particularly interest rates, remain constant and disregards any impact of forecasted sales and purchases.

Profit Or Loss	
Increase	**Decrease**
EGP (276,094,151)	EGP 276,094,151

A 10% increase Or (decrease) in the exchange rates of other currencies against the Egyptian Pound as at 31 December 2025 would have affected the measurement of foreign currency-denominated financial instruments and would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, particularly interest rates, remain constant and disregards any impact of forecasted sales and purchases.

Profit Or Loss	
Increase	**Decrease**
EGP (251,204,504)	EGP 251,204,504

35. Objectives & Policies Of Financial Instruments Risk Management (Continued)

35.1 Financial Risk Management (Continued)

Interest Rate Risk

This Risk Is Represented In Interest Risk Related To Company's Financial Instruments At Date Of Consolidated Interim Financial Statements As Follows:

	Book Value	
	30/06/2026	31/12/2025
	EGP	EGP
Financial Instruments At A Fixed Interest Rate		
Financial Assets		
Bank Deposit	167,280,000	44,762,800
Total	**167,280,000**	**44,762,800**
Financial Instruments At A Variable Interest Rate		
Financial Liabilities		
Loans	1,794,817,151	931,514,264
Banks - Credit Facilities	5,387,200,180	5,362,068,133
Banks - Credit Balances	--	3,937,679
Total	**7,182,017,331**	**6,297,520,076**

The Company does not account for any financial assets or financial liabilities with fixed interest rates at fair value through profit or loss. Nor does the Company designate financial derivatives (interest rate swap contracts) as hedging instruments under the fair value hedge accounting model. Accordingly, changes in interest rates at the reporting date do not have any impact on profit or loss.

35.2 Capital Management

For the purpose of managing the Company's capital, capital includes issued share capital and all other equity reserves attributable to the Company's shareholders. The Company manages its capital structure and makes adjustments in light of changes in business conditions and to support future business developments. No changes were made to the objectives, policies or processes during the year and the Company is not subject to any externally imposed capital requirements.

36. Tax Status

First: Egyptian Financial & Industrial Company (Parent Company)

First: Corporate Income Tax

- The Company submits its tax returns within the legal time on the unified Tax Portal.
- Years till 2016 were inspected, all tax due and delayed penalty were paid and there are no any tax dues for these years.
- Years from 2017 to 2022, the inspection has been ended, and all tax have been paid and a provision for delayed penalty has been formed.
- The company was not notified by any inspection for 2023 / 2024 to date.
- An amount of 42.2 million pounds was paid in advance until June 30, 2026.

Second: Value Added Tax

- The Company submits its tax returns monthly on the legal dates.
- Years till 2023 has been inspected, tax dues have been determined and a request has been submitted to settle these dues through Tax Authority credit balances.
- The notification for the year 2024, 2025 has not been issued to date.

Third: Payroll Tax

- The Company submits its quarterly returns (Form 4) regularly in the legal dates.
- The Company submitted settlements on employees' salaries and wages until 2025.
- Years till 2022 was inspected, all tax due has been paid and there are no any tax dues for these years.
- The company was not notified by any inspection for 2023/2025 to date.

Fourth: Stamp Tax:

- Years till 2016 were inspected, all tax due and delayed penalty were paid and there are no any tax dues for these years.
- Years from 2017 to 2020 tax inspection was ended and the appeal has been filed and the work of the internal committee has been completed.
- Year 2020, tax inspection has been ended and the work of the internal committee has been completed.
- Years from 2021 to 2023, the tax inspection is underway for these years

36. Tax Status

Fifth: Property Tax

- The company has been notified of the real estate tax assessment till year 2023.

Second: Suez Company For Fertilizer Production (Subsidiary Company)

First: Corporate Income Tax

- The Company enjoys a ten years tax exemption from corporate income tax starting from January 1, 2006 to December 31, 2015 according to the resolution of General Authority for Investment and Free Zones regarding the starting date activities on January 15, 2005 in accordance to the law No. (8) for the year 1997 regarding investment guarantees and incentives and its executive regulations
- The Company submits its tax returns within the legal time based on the books and records, The Company's tax file No. is 250/166/5 in investment tax authority in Cairo, then transferred to corporate tax payer center accordingly to chief officer diction No. (52) for the year 2017 dated January 12, 2017. The credit balance of the Tax Authority amounted to EGP 86,851,491 on June 30,2026.
- For the Years From 2003 till 2014 the final assessment was reached and all tax dues were paid except for delay fines amounted to EGP 1,463,934.
- The Years up to 2022 have been audited, and the audit report is awaiting approval by the auditor and the audit manager.
- Deferred Tax Liability in the financial position of the company as at June 30, 2026 amounted to 199,226,217 according to Egyptian Accounting Standards No. (24) taking intoconsideration the tax exemption to December 31, 2015.

Second: Value Added Tax (Sales Tax Previously)

- Sales tax returns up to November 2020 were examined.
- The Tax Authority Credit balance amounts to EGP 4,048,940 according to the company's books in June 30, 2026.
- Tax Under Settlement are being recovered from the Tax Authority with the value of tax amounts on raw materials used in export, are as follows:
- Amounts to EGP 899,021,237 till June 30,2026.

Third: Salary Tax

- The Company pays regularly the salary income tax with held from employees to the Salary tax authority.
- Tax examination took place till 2020 and all tax dues were fully paid amounting to EGP 414,727.

Fourth: Stamp Tax

- The Company pays stamp tax and development fees on regular basis.

Fifth: Real Estate Tax

- The company has been notified of the real estate tax assessment for the period from 1/7/2013 to 30/6/2014 and appealed against it in accordance to law No. 196 for 2008 and its amendements, and waiting for the report of the commissioners of the State Council in Ismailia and the Office of Experts of the Ministry of Justice.
- Based on the tax Position, no provisions need to be formed.

37. Insurance & Pension Scheme

The company contributes to the social insurance system for the benefit of workers in accordance with the Social Insurance Law No. 148 of 2019 and its amendments, and the company's contribution is charged to the statement of profit or loss according to the accrual principle.

38. Environmental position

The company maintains an environmental record and is committed to environmental requirements in accordance with the provisions of the Environmental Law No. 4 of 1994 and its amendments. A loan was contracted from the Commercial Internationa Bank on combating industrial pollution of the Assiut plant

39. Non- Cash Transactions

For the purposes of preparing the statement of cash flows, some elements of assets and liabilities that do not represent cash flows have been adjusted, and the following is a statement of the non-cash transactions referred to above:

	30/06/2026
	EGP
FOREX Differences Resulting From Trade Receivables	22,704,533
FOREX Differences Resulting From Trade Payables	(48,961,804)
FOREX Differences Resulting From Long - Term Loans	1,273,442
FOREX Differences Resulting From Facilities	(77,849,968)

40. Contingent Liabilities

First : Egyptian Financial & Industrial Company (Parent Company)

Contingent Liabilities As Of June 30, 2026 Amounted To

	Currency	Balance In Foreign Currency In Thousands	Balance In EGP In Thousands
Loan Guarantee, Overdraft & Credit Facility (Suez Fertilizer Manufacturing Company) Solidarity Guarantee For Subsidiary Company	EGP	--	5,871,000
Letter Of Credits For The Purchase Of Spare Parts.	USD	4,181	205,682
Letter Of Credits For The Purchase Of Spare Parts.	EUR	369	20,671
Letter Of Guarantee For Abu Dhabi Islamic Bank	EGP	--	--
Letter Of Guarantee For A Loan From QNB	EGP	--	165
Total			**6,097,518**

Second: Suez Company For Fertilizer Production (Subsidiary Company)

Contingent Liabilities As Of June 30, 2026 Amounted To

	Currency	Balance In Foreign Currency In Thousands	Balance In EGP In Thousands
Loan Guarantee, Overdraft & Credit Facility (Egyptian Financial & Industrial Company (SAE)) Solidarity Guarantee For Subsidiary Company	EGP	--	4,872,702
Loan Guarantee, Overdraft & Credit Facility (Egyptian Financial & Industrial Company (SAE)) Solidarity Guarantee For Subsidiary Company	USD	8,398	414,000
Loan Guarantee, Overdraft & Credit Facility (Egyptian Financial & Industrial Company (SAE)) Solidarity Guarantee For Subsidiary Company	EUR	5,519	310,245
Uncovered Part From Letter Of Credits For The Purchase Of Spare Parts	USD	342	16,864
Uncovered Part From Letter Of Credits For The Purchase Of Spare Parts	EUR	108	6,053
			5,619,864

41. New Standards Or Amendments To The Accounting Standards

On October 23, 2024, the Prime Minister issued Decree amending some provisions of the Egyptian Accounting Standards, and the following is a summary of the most important of those amendments:

New Amended Standards	Summary Of The Most Significant Amendments	Impact On The Financial Statements	Effective Date
Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies"	On October 23, 2024, the Egyptian Cabinet issued a decision to add Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies." The standard shall apply to the separate and consolidated financial statements of any company or group whose recording currency is in a hyperinflationary economy. This standard shall also apply to any group that has a foreign currency (including a branch, subsidiary, sister company, joint venture, etc.) in a hyperinflationary economy. This standard essentially requires adjusting the financial statements prepared in the currency of a hyperinflationary economy.	No decision was issued by the Prime Minister or his authorized representative specifying the beginning and end dates of the financial period or periods during which this standard must be applied.	This decision shall be implemented and activated by a decision from the Prime Minister or his delegate.

42. Significant Events

The Monetary Policy Committee (MPC) of the Central Bank of Egypt decided, in its meeting held on Thursday, May 21, 2026, to keep the key policy rates unchanged. Accordingly, the overnight deposit rate, overnight lending rate, and the main operation rate of the Central Bank of Egypt were maintained at 19.00%, 20.00%, and 19.50%, respectively. The discount rate was also kept at 19.50%.

Geopolitical Developments & Economic Impacts

On February 28, 2026, the region witnessed a significant escalation in geopolitical tensions within the Gulf and Middle East region, leading to widespread economic repercussions that impacted the business environment both locally and regionally. The most significant of these impacts are as follows:

Exchange Rate Volatility

The local currency (Egyptian Pound) has experienced a decline against major foreign currencies, potentially impacting costs and outstanding foreign currency-denominated liabilities.

Energy & Logistics Costs

These developments led to a surge in both global and local fuel prices, resulting in a direct increase in transportation and shipping costs.

Supply Chain Disruptions

The ongoing tensions have caused global supply chain interruptions and delays in deliveries, which may affect operational and production schedules.

43. Subsequent Events

- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting held on Thursday, July 09, 2026, to keep the key policy rates unchanged. Accordingly, the overnight deposit rate, overnight lending rate, and the main operation rate of the Central Bank of Egypt were maintained at 19.00%, 20.00%, and 19.50%, respectively. The discount rate was also kept at 19.50%.

