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

Separate Interim Financial Statements For The Financial Period Ended June 30, 2026

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Limited Review Report

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LIMITED REVIEW REPORT

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

INTRODUCTION

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

SCOPE OF LIMITED REVIEW

Except for the matters described in paragraphs (1) through (8) 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 separate 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 a study of expected credit losses in accordance with Egyptian Accounting Standard No. (47), "Financial Instruments." There were no alternative review procedures that enabled us to verify the adequacy of the expected credit losses recognized 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. As disclosed in Note (7), "Projects under Construction," the balances of projects under construction as at June 30, 2026 included EGP 288 million for machinery and equipment under installation and EGP 164 million for buildings and constructions. The Company's management did not provide us with the necessary technical study showing the current status of these projects and the extent of their completion, in order to determine whether they should be transferred to fixed assets.
5. The Company's management did not provide us with the requirements necessary to review activity costs, including the detailed cost statements showing the bases of the production cost allocation rates, as well as the production formula and the average costs used in valuing the finished goods, for the financial period ended June 30, 2026. There were no alternative review procedures that enabled us to verify the accuracy of the production cost and the cost of the finished goods inventory recognized in the financial statements.
6. Management did not provide us with a study of the write-down of inventories to net realizable value in accordance with Egyptian Accounting Standard No. (2) – Inventories. Management provided only a memorandum signed by the Chief Executive Officer stating the allowable normal loss rate for raw materials and finished goods, without a technical study supporting how this rate was determined. The rate resulted in an amount of 32 million Egyptian Pounds, which was charged directly to the statement of income as a write-down of inventories, instead of being included in the cost of production. We were unable to obtain sufficient appropriate audit evidence, through alternative review procedures, about the adequacy of the inventory write-down allowance recorded during the financial period ended June 30, 2026.

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7. The Company's management did not provide us with the valuation schedules for the spare parts, packaging materials, fuel, and oils inventory as of 30 June 2026. There were no alternative review procedures that enabled us to verify the accuracy of the inventory valuation on June 30, 2026.
8. Management did not provide us with the supporting documents for the adjustments made 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 audit evidence, through alternative review procedures, to verify these adjustments.
9. 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 meters. The Company has not registered the title or transferred ownership to date. According to 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 installment.
10. Through our review of 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.
11. As disclosed in Note (21) Provisions, on December 31, 2025 the Company recognized a provision of 215.5 million Egyptian Pounds to meet contingent liabilities relating to an arbitration claim filed by Heliopotas France against the Company, concerning the two contracts dated November 30, 2023 and 11 January 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 a total of 215,468,257 Egyptian Pounds. Note (33) further discloses that 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 reverse the provision, as required by Egyptian Accounting Standard No. (7) – Events After the Reporting Period.

QUALIFIED CONCLUSION

Based on our review, 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 (8), and the effects of the matters described in paragraphs from (9) through (11) 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 separate interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2026, and its financial performance and cash flows for the six-month period then ended, in accordance with Egyptian Accounting Standards.

EMPHASIS OF MATTER

Without modifying our conclusion, we draw attention to Note (33) to the financial statements, which describes that a judgment was issued, with the defendant in attendance, 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 equal to that amount.

Cairo, Egypt
September 29, 2026

Sherin Noureldin
(RAA 6809)
(EFSA 88)
Moore Egypt

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Separate Statement Of Financial Position

	Note No.	30/06/2026 EGP	31/12/2025 EGP
Assets			
Non-Current Assets			
Fixed Assets	(4)	1,992,708,362	2,050,901,111
Intangible Assets	(5)	12,767,133	13,511,848
Investment Property	(6)	29,137,653	29,137,653
Projects Under Construction	(7)	619,809,804	468,539,812
Investments In Subsidiaries	(8)	449,395,590	449,395,590
Financial Investments At Fair Value Through Profit & Loss	(9)	306,830	306,830
Total Non-Current Assets		3,104,125,372	3,011,792,844
Current Assets			
Inventory	(10)	1,885,516,977	1,800,946,570
Trade & Notes Receivables	(11)	305,105,700	62,192,117
Debtors & Other Debit Balances	(12)	423,053,401	516,464,681
Due From Related Parties	(13-A)	544,155,997	817,610,269
Egyptian Tax Authority		--	34,353,090
Cash & Cash Equivalents	(14)	255,205,279	149,045,644
Total Current Assets		3,413,037,354	3,380,612,371
Total Assets		6,517,162,726	6,392,405,215
Liabilities & Shareholders' Equity			
Shareholders' Equity			
Issued & Paid - Up Capital	(15)	1,000,000,000	1,000,000,000
Reserves	(16)	418,772,943	324,977,710
Retained Earnings		557,513,036	292,242,708
(Loss) / Profit For The Period / Year		343,823,988	625,318,577
Total Shareholders' Equity		2,320,109,967	2,242,538,995
Liabilities			
Non-Current Liabilities			
Long-Term Loans	(18-1)	796,549,221	756,892,744
Deferred Tax Liabilities	(17-2)	181,972,336	182,981,984
Long- Term Notes Payables	(19)	--	2,000,000
Total Non-Current Liabilities		978,521,557	941,874,728
Current Liabilities			
Loan Installments Due Within One Year	(18-2)	174,761,219	174,621,520
Banks - Credit Facilities	(18-3)	1,818,720,164	2,008,244,515
Trade & Notes Payables	(19)	489,614,344	373,869,350
Creditors & Other Credit Balances	(20)	378,482,675	277,625,079
Due To Related Parties	(13-B)	11,994,135	31,692,662
Egyptian Tax Authority		9,591,471	--
Income Tax	(17-4)	104,811,790	110,095,093
Provisions	(21)	230,555,404	231,843,273
Total Current Liabilities		3,218,531,202	3,207,991,492
Total Liabilities		4,197,052,759	4,149,866,220
Total Shareholders' Equity & Liabilities		6,517,162,726	6,392,405,215

- The accompanying notes and accounting policies are an integral part of these Separate financial statements and are to be read therewith.
- Limited Review Report "attached".
- Date: September 2, 2026

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Egyptian Financial & Industrial Company EFIC

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Separate Statement Of Profit Or Loss

	Note No.	For The Six Months Ended 30/06/2026 EGP	For The Six Months Ended 30/06/2025 EGP	For The Three Months Ended 30/06/2026 EGP	For The Three Months Ended 30/06/2025 EGP
Sales	(22)	3,602,441,943	2,353,773,587	1,899,749,372	1,088,225,651
Less					
Cost Of Sales	(23)	(2,569,548,637)	(1,493,345,926)	(1,278,310,461)	(738,662,198)
Gross Profit		1,032,893,306	860,427,661	621,438,911	349,563,453
Add / (Less):					
Other Operating Income	(24)	13,972,046	11,149,455	(27,283,857)	6,357,804
Selling & Distribution Expenses	(25)	(157,262,251)	(160,611,381)	(89,435,377)	(89,977,863)
General & Administrative Expenses	(26)	(135,342,471)	(123,221,885)	(73,824,190)	(63,015,078)
Other Operating Expenses	(27)	(32,582,645)	(2,109,376)	(32,582,645)	--
Net Operating Profit		721,677,985	585,634,474	398,312,842	202,928,316
Add / (Less):					
Finance Income	(28)	10,888,865	13,777,029	2,887,278	5,169,727
Finance Cost	(29)	(284,745,432)	(287,679,804)	61,402,192	(159,022,808)
Net Finance (Cost) / Income		(274,056,567)	(273,902,775)	64,289,470	(153,853,081)
Investment Income	(30)	4,712	8,462	2,356	6,101
Net Profit For The Period Before Income Tax		447,626,130	311,740,161	462,604,668	49,081,336
(Less)/Add					
Income Tax	(17-5)	(104,811,790)	(52,720,989)	(104,811,790)	3,656,977
Deferred Tax	(17-2)	1,009,648	(16,615,159)	7,863,085	(15,179,411)
Net Profit For The Period After Tax		343,823,988	242,404,013	365,655,963	37,558,902
Basic Earnings Per Share For The Period (EGP/Share)	(31)	3.12	2.19	3.34	0.34

- The accompanying notes and accounting policies are an integral part of these Separate financial statements and are to be read therewith.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Separate Statement Of Comprehensive Income

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Net Profit For The Period After Tax	343,823,988	242,404,013	365,655,963	37,558,902
Add/(Less)				
Other Comprehensive Income	--	--	--	--
Total Comprehensive Income For The Period	343,823,988	242,404,013	365,655,963	37,558,902

- The accompanying notes and accounting policies are an integral part of these Separate financial statements and are to be read therewith.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Separate Statement Of Changes In **Shareholders'** Equity

	Issued & Paid Up Capital	Legal Reserves	Retained Earnings	Net Profit For The Period/Year	Total
	EGP	EGP	EGP	EGP	EGP
For The Six Monthes Ended 30/06/2025					
Balance At 1/1/2025	727,687,140	368,247,619	151,909,122	1,527,784,795	2,775,628,676
Transactions With Company's Shareholders					
Transferred To Retained Earnings	--	--	1527,784,795	(1527,784,795)	--
Transferred To Reserves	--	228,062,270	(228,062,270)	--	--
Employees' Share In Profit	--	--	(34,252,820)	--	(34,252,820)
Shareholders' Share In Profit	--	--	(100,500,710)	--	(100,500,710)
Board Of Directors Bonus	--	--	(25,000,000)	--	(25,000,000)
Sport Activities	--	--	(7,035,409)	--	(7,035,409)
Total Transactions With The Company's Shareholders		228,062,270	140,333,586	(1,527,784,795)	(1,159,388,939)
Other Comprehensive Income					
Net Profit For The Period			-	242,404,013	242,404,013
Total Comprehensive Income	--	--	--	242,404,013	242,404,013
Balance At 30/06/2025	727,687,140	597,309,889	292,242,708	242,404,013	1,858,623,750
For The Six Monthes Ended 30/06/2026					
Balance At 01/01/2026	1,000,000,000	324,977,710	292,242,708	625,318,577	2,242,538,995
Transactions With Company's Shareholders					
Transferred To Retained Earnings	--	--	625318,577	(625318,577)	--
Transferred To Reserves		93,795,233	(93,795,233)		
Employees' Share In Profit	--	--	(40,000,000)	--	(40,000,000)
Shareholders' Share In Profit	--	--	(200,000,000)	--	(200,000,000)
Board Of Directors Bonus	--	--	(20,000,000)	--	(20,000,000)
Sport Activities	--	--	(8,253,015)	--	(8253,015)
Total Transactions With The Company's Shareholders	--	93,795,233	265,270,328	(625,318,577)	(266,253,016)
Other Comprehensive Income					
Net Profit For The Period	--	--	--	343,823,988	343,823,988
Total Comprehensive Income	--	--	--	343,823,988	343,823,988
Balance At 30/06/2026	1,000,000,000	418,772,943	557,513,036	343,823,988	2,320,109,967

The accompanying notes and accounting policies are an integral part of these Separate financial statements and are to be read therewith.

Acc. Ahmed Darwish
Finance Director

Acc. Nafee Fahmy Abdelmeguid
Chairman

Separate Statement Of Cash Flows

	Note	For The Six Monthes Ended	
		30/06/2026	30/06/2025
		EGP	EGP
Cash Flows From Operating Activities			
Net Profit For The Period Before Income Tax		447,626,130	311,740,161
Adjustments To Reconcile Net Profit To Net Cash From Operating Activities			
Depreciation Of Fixed Assets	(4)	62,777,946	53,842,408
Amortization Of Intanigble Assets	(5)	744,715	744,715
Investment Income	(30)	(4,712)	(8,462)
Social Comprehensive Insurance Scheme (Law No. 2)	(26)	9,240,430	5,987,677
Foreign Exchange Differences	(29)	66,500,791	44,121,421
Provision Formed	(27)	--	2,109,376
Provision No Longer Required	(24)	(1,000,000)	(1,757,547)
Impairment In Trade Receivables & Supplier In Advance No Longer Required	(24)	(91,197)	(102,463)
Impairment In Trade Receivables & Supplier In Advance (Formed)	(27)	32,582,845	--
Capital Gains	(24)	(685,000)	(17,023)
Settlements	(4)	32,295,219	(50,391)
Accured Interest	(28)	(3,445,449)	(3,387,379)
Interest Expense & Bank Comissions	(29)	218,244,641	243,658,382
Interest Income & Deposit Income	(28)	(7,243,416)	(10,389,650)
Operating Profit Before Changes In Working Capital		857,542,743	646,391,225
Changes In:			
Inventory		(117,153,052)	(644,647,651)
Trade & Notes Receivables		(263,980,118)	(84,402,355)
Debtors & Other Debit Balances		93,411,280	(1,574,157)
Due From Related Parties		174,677,134	(193,964,605)
Trade & Notes Payables		60,925,894	45,942,196
Creditors & Other Credit Balances		(29,279,309)	52,833,311
Due To Related Parties		(19,698,527)	4,022,826
Provision Utilized		(287,869)	(423)
Employees' Share In Profit & Board Of Directors Bonus		(65,824,213)	(66,888,229)
Income Tax Paid		(56,272,819)	(158,809,334)
Net Cash Flows (Used In) / Provided From Operating Activities		634,261,144	(401,097,196)
Cash Flows From Investing Activities			
(Payments) For Purchase Of Fixed Assets & Projects Under Construction		(188,150,408)	(317,773,616)
Proceeds From Sale Of Fixed Assets		685,000	17,023
Proceeds From Financial Investments In subsidiary		88,899,424	200,023,704
Proceeds Form Investments		4,712	8,462
Interest Expense & Bank Comissions		7,243,416	10,389,650
Net Cash Flows (Used In) Investing Activities		(91,317,856)	(107,334,777)
Cash Flows From Financing Activities			
Proceeds From Long Term Loans		24,145,495	93,744,130
Proceeds Form Bank & Credit Facilities		(149,556,766)	1,087,216,312
Dividends Paid		(100,000,000)	(363,833,570)
Interest Income & Commissions		(192,531,519)	(231,908,653)
Net Cash Provided From /(Used In) Financing Activities		(417,942,790)	585,218,219
Net Change In Cash & Cash Equivalents During The Year		125,000,498	76,786,246
Cash & Cash Equivalents At The Beginning Of The Period	(14)	149,045,644	522,546,685
Effect Of Changes In Exchanges Rates On Cash		(18,840,863)	(24,174,808)
Cash And Cash Equivalents At The End Of The Period	(14)	255,205,279	575,158,103

- Non -Monetary transaction amounts have been eliminated, as indicated in note No. (39).
- The accompanying notes and accounting policies are an integral part of these Separate 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 Separate Financial Statements

1. General Information

- The Egyptian Financial & 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 Holding company for refractories and Mining (S.A.E.). On March 19, 1996 the extraordinary general assembly of the Holding company for refractories 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 Al-Zayat.
- The board of directors approved the Separate Financial Statements on September 2, 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, granulocytes, 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 annexes, taking into account the provisions of Law No. 95 of 1992.
- Subject to the provisions of applicable laws, regulations and resolutions, and subject to licensing or obtaining such activities on the necessary approvals.
- 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.

2. Basis Of Preparation Of The Separate Financial Statements

The Separate 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 Separate 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).

2.2 Functional Currency & Presentation Currency

The Separate 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 Separate 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.
- 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.

The Following Are The Most Important Accounts & Notes That Uses Estimates & Judgment: -

1. Fixed Assets and intangible assets useful lives
2. Recognition of deferred tax assets and contingent liabilities.
3. Impairment of account receivables, debtors and due from related party.
4. Provisions.
5. Classification of lease contracts.
6. Revenue recognition: Revenue is recognized in accordance with the detailed provisions of the applied accounting policies.

2. Basis Of Preparation Of The Separate Financial Statement (Continued)

2.3 Use Of Estimates & Judgments (Continued)

A- Personal Judgment

Information on personal judgement 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- Uncertain Assumptions & Estimates:

Information on uncertain assumptions and estimates that may result in an effective adjustment to the book value of assets and liabilities in the next financial period is:

- Recognizing revenue and estimating sales returns (if any)
- Recognizing and measuring provisions and liabilities: Basic assumptions about the probability and magnitude of resource flows.
- Measuring expected credit losses for financial assets.
- Useful lives of fixed assets.
- Recognition of deferred tax assets

C- Impairment Of Non-Financial Assets

On the date of preparing the financial statements, the company evaluates the asset whether there is an indication that the asset has decreased in value. If there is an indication of this, the company evaluates the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset less selling costs or its value in use. Whichever is higher, when assessing the value in use, the estimated future cash flows of the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When determining the fair value less costs to sell, recent market transactions are taken into account.

If the recoverable value of an asset is estimated at less than its book value, the book value of the asset is reduced to its recoverable value, and the impairment loss is recognized directly in the statement of profit or loss.

If the impairment loss subsequently reverses, the carrying amount of the asset is increased to the adjusted recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined if there had been no impairment loss in the carrying amount of the asset in prior years. The reversal of an impairment loss is recognized directly in the statement of profit or loss.

D- Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

The amount recognized as a provision is the best estimate of the consideration required to settle the current obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When the provision is measured using the cash flows estimated to settle the current obligation, its book value is the present value of those cash flows.

If some or all of the economic benefits required to settle an allocation are expected to be recovered from a third party, the amount due is recognized as an asset if it is certain that the amount will be recovered and the value of the amount due can be measured reliably.

E- The Useful Life Of Fixed Assets & Intangible Assets

The company's management determines the estimated useful lives of fixed assets and intangible assets for the purpose of calculating depreciation and amortization. This estimate is made after taking into account the expected use of the asset or actual obsolescence. The management periodically reviews the useful lives on an annual basis at least and the depreciation method to ensure that the method and periods of depreciation are consistent with The expected pattern of economic benefits of assets.

F- Lease Contracts - Report On The Additional Borrowing Rate

The company cannot easily determine the interest rate implicit in the lease contract, and therefore it uses the incremental borrowing rate to measure the lease obligations. The additional borrowing rate is the interest rate that the company must pay in order to borrow the necessary financing over a similar term and with a similar guarantee to obtain an asset with the same value as the "right of use" asset in a similar economic environment. Therefore, the incremental borrowing rate reflects what the company "has to pay", which requires an estimate when published rates are not available or when they need to be amended to reflect the terms and conditions of the lease.

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2. Basis Of Preparation Of The Separate Financial Statement (Continued)

2.4 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, as the fair value measurement depends on the assumption that the transaction concerning the asset or transferring the liabilities will take place:

In the principal asset's market or liabilities or
In the absence of the principal market, in the most advantageous market for the asset or liability.

The fair value of the assets or liability is measured by using estimates that will be used by market participants when the asset or liability is quoted, assuming that the market participants act on their best interest regarding their economic benefit. The fair value measurement for the non-financial asset takes into consideration the participants' ability in generation of the economic benefits in the market by the optimal usage of the asset or selling it to another participant to use it with the same quality standards.

The company use evaluation techniques that is appropriate to the circumstances and the required information is sufficient for the fair value measurement, by optimizing the related noticed input benefit, limiting the unnoticed inputs.
All the classified assets and liabilities are measured or disclosed in the financial statements with fair values which are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

2.5 Consolidated Financial Statements

The company has a subsidiary, and according to the Egyptian Accounting Standard No. (17) Independent Financial Statements and No. (42) Consolidated Financial Statements "and Article 188 of the Executive Regulations of Companies Law No. 159 of 1981, the company prepares consolidated financial statements for the group, as it is necessary to refer to them to obtain an understanding of the financial position, business results and cash flows of 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 Separate financial statements.

3.1 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 recognized 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.
- Qualifying cash flow hedges to the extent that the hedges are effective.

3.2 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 profits or losses and other comprehensive income As if the operation had been discontinued since the beginning of the comparative period.

3.3 Fixed Assets & Depreciation

Recognition & Initial 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.

3. Significant Accounting Policies (Continued)

3.3 Fixed Assets & Depreciation (Continued)

- 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 income statement when it is incurred.
- Gains or losses resulting from the disposal of fixed assets are recognized in the income statement.

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 follows:

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

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.

3.4 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.

3.5 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.
Internally generated intangible assets are not capitalized as an asset, and the expenditures are recognized in the statement of profit or loss in the year in which they are incurred.
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.
Computer Software Licenses
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

3.6 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.

3.7 Long Term Investment

Investments In Subsidiaries

- Subsidiary companies are the entities in which the "Company" investor has the ability to control its financial and operational policies of the entity, this ability exists by possessing half of the voting power or more in the related subsidiary.
- Investments in subsidiaries are stated at cost less any impairment loss in their value. If a decline in the recoverable amount exists for any investment below the carrying amount, the carrying amount of the investment will be adjusted by the amount of such impairment and will be charged to income statement for each investment.

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3. Significant Accounting Policies (Continued)

3.8 Inventory

- Inventory 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.
- 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.

3.9 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.

3.10 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.

3.11 Impairment

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 of 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 useful life 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.

3. Significant Accounting Policies (Continued)

3.11 Impairment (Continued)

Evidence That Financial Assets Are Credit Impaired Includes Observable Data.

- Significant financial difficulty for the lender or issuer.
- 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
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active stock market due to financial difficulties.

Presentation Of The Expected Credit Loss Allowance In The Statement Of Financial Position:

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

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.

3.12 Capital

a) Common Shares
   - The direct costs related to ordinary shares issuance and shares subscription options are recorded as a decrease to shareholders equity.
   - Income tax related to the costs of transacting equity is accounted for in accordance with Egyptian Accounting Standard No. (24) "Income Taxes"

b) 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.

3.13 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.

3.14 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.

3.15 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 income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

3.16 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. Significant Accounting Policies (Continued)

3.17 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.

3.18 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 And 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.

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3. Significant Accounting Policies (Continued)

3.18 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.

Revenue Recognition

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.

3.19 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.

3.20 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.

3.21 Governmental At Grants Related To Income

Government grants are recognized in the income statement 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 income statement for the financial year in which these grants become collectable.



3. Significant Accounting Policies (Continued)

3.22 Expenses

All expenses, including administrative and general expenses and selling and marketing expenses, are to be reflected in the income statement 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 recognized in the income statement 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.79 for the year 1975. 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 income statement 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.

3.23 **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.

3.24 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. Significant Accounting Policies (Continued)

3.25 Cash Flows Statement

The cash flows statement has been prepared according to the indirect method. For preparing statement of cash flow, 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.

3.26 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 and 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
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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3. Significant Accounting Policies (Continued)

3.26 Financial Instruments (Continued)

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 excludes 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.

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.

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4. Fixed Assets

2026	Land	Buildings	Machinery & Equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Assets Leased To Others	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
Balance At At January 1, 2026	362,661,225	218,546,485	1,579,039,385	59,354,384	32,242,449	33,998,489	293,054,604	2,578,897,021
Additions For The Period	--	16,411,980	8,830,136	7,221,171	2,894,245	1,522,884	--	36,880,416
Investment Property	(29,137,653)	--	--	--	--	--	--	(29,137,653)
Disposal During Period	--	--	(77,000)	(943,509)	--	--	--	(1,020,509)
Settlements	--	--	(32,295,219)	--	--	--	--	(32,295,219)
Cost At June 30, 2026	333,523,572	234,958,465	1,555,497,302	65,632,046	35,136,694	35,521,373	293,054,604	2,553,324,056
Depreciation:								
Accumulated Depreciation At January 1, 2026	--	37,182,831	373,428,091	32,890,327	5,893,943	11,138,510	38,324,555	498,858,257
Depreciation For The Period	--	5,507,285	41,468,529	4,084,825	1,216,659	1,547,920	8,952,728	62,777,946
Accumulated Depreciation Disposal During The Period	--	--	(77,000)	(943,509)	--	--	--	(1,020,509)
Accumulated Depreciation At June 30, 2026	--	42,690,116	414,819,620	36,031,643	7,110,602	12,686,430	47,277,283	560,615,694
Net Book Value At June 30, 2026	333,523,572	192,268,349	1,140,677,682	29,600,403	28,026,092	22,834,943	245,777,321	1,992,708,362
Net Book Value At December 31, 2025	333,523,572	181,363,654	1,205,611,294	26,464,057	26,348,506	22,859,979	254,730,049	2,050,901,111
Fully Depreciated Fixed Assets	--	6,493,235	166,464,446	12,559,250	1,086,700	3,119,277	--	189,722,908

- 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 189.7 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.

* The Ain Sokhna Finance Complex was leased to Suez Fertilizer Manufacturing Company under a lease contract dated 1/04/2023 for a period of five years at a rental value of 25 million pounds paid annually.

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4. Fixed Assets (Continued)

2025	Land	Buildings	Machinery & Equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Assets Leased To Others	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
Balance At At January 1, 2025	362,661,225	184,009,251	1,324,751,799	51,721,051	25,113,813	29,019,117	296,472,683	2,273,748,939
Additions For The Period	--	21,491,160	140,376,715	2,250,000	3,285,230	1,602,755	334,497	169,340,357
Settlements	--	(2,873,637)	--	--	--	--	(3,664,857)	(6,538,494)
Disposal During Period	--	--	(6,481,716)	--	--	--	--	(6,481,716)
Cost At June 30, 2025	362,661,225	202,626,774	1,458,646,798	53,971,051	28,399,043	30,621,872	293,142,323	2,430,069,086
Depreciation:								
Accumulated Depreciation At January 1, 2025	--	27,357,384	305,134,120	25,123,562	3,849,253	8,298,830	20,290,425	390,053,574
Depreciation For The Period	--	4,607,496	34,330,776	3,664,933	959,145	1,327,377	8,952,681	53,842,408
Settlements	--	(33,368)	218,998	927	--	--	(17,023)	169,534
Accumulated Depreciation Disposal During The Period	--	--	(6,481,716)	--	--	--	--	(6,481,716)
Accumulated Depreciation At June 30, 2025	--	31,931,512	333,202,178	28,789,422	4,808,398	9,626,207	29,226,083	437,583,800
Net Book Value At June 30, 2025	362,661,225	170,695,262	1,125,444,620	25,181,629	23,590,645	20,995,665	263,916,240	1,992,485,286
Net Book Value At December 31, 2024	362,661,225	156,651,867	1,019,617,679	26,597,489	21,264,560	20,720,287	276,182,258	1,883,695,365
Fully Depreciated Fixed Assets	--	6,493,235	164,856,139	10,486,443	1,070,540	3,027,988	--	185,934,345

- 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 185.9 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.
- * The Ain Sokhna Finance Complex was leased to Suez Fertilizer Manufacturing Company under a lease contract dated 1/04/2023 for a period of five years at a rental value of 25 million pounds paid annually.
- ** The buildings account includes approximately EGP 2,874 million for the paving works of Corniche Street in front of the Company, which were charged to the period's expenses. Additionally, around EGP 3,665 million related to the bases of phosphoric acid tanks at the Ain Sokhna finance complex was capitalized as part of assets leased to others, despite the fact that the construction of the tanks on these bases has not been completed to date. These amounts have been classified under projects under construction.

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5. Intangible Assets

	30/06/2026	31/12/2025
	EGP	EGP
Opening Balance Cost For The Period / Year	15,017,725	15,017,725
Cost At The End Of The Period / Year	15,017,725	15,017,725
Opening Balance Of Accumulated Amortization During The Period / Year	1,505,877	4,103
Amortization During The Period / Year	744,715	1,501,774
Total Amortization For The Period / Year	2,250,592	1,505,877
Net Book Value For 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
Assuit 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 Beni 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	288,040,627	278,116,475
Buildings & Constructions	164,212,559	132,257,876
Advance Payments	165,554,969	56,690,528
Others	2,001,649	1,474,933
Total Projects Under Construction	619,809,804	468,539,812

8. Investments In Subsidiaries

	Shareholding	Paid of the Shareholding	30/06/2026	31/12/2025
	%	%	EGP	EGP
Suez For Fertilizer Production	99.865%	100%	449,395,590	449,395,590
Total Investments In Subsidiaries			449,395,590	449,395,590

* Investments in subsidiaries are represented in 49,388,570 shares of the Suez For Fertilizer Production Company, of which 4,449,011 are bonus shares, at a par value of EGP 10 per share, out of a total number of shares amounting to 49,455,000 shares, with a shareholding of 99.865% of the issued and paid-up capital of the Suez For Fertilizer Production Company, amounting to EGP 494,550,000.

9. Financial Investments At Fair Value Through Profit & Loss

	30/06/2026	31/12/2025
	EGP	EGP
Investment In Governmental Bonds	306,830	306,830
Total 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.

10. Inventory

	30/06/2026	31/12/2025
	EGP	EGP
Raw Materials	275,175,081	361,883,040
Spare Parts	232,120,258	217,524,778
Packing & Packaging Materials	14,901,805	23,064,171
Fuel, Oil & Others	12,608,980	9,614,055
Scraps	31	40
Finished Goods	1,353,957,206	880,168,030
LCs For Purchasing Materials & Spare Parts	29,997,217	309,353,412
Total Inventory	1,918,760,578	1,801,607,526
(Less):		
Inventory Write -Down	(33,243,601)	(660,956)
Net Inventory	1,885,516,977	1,800,946,570

Balance Of Inventory Is As Follows:

	30/06/2026	31/12/2025
	EGP	EGP
Opening Balance For The Period / Year	660,956	660,956
Formed During The Period / Year	32,582,645	
Closing Balance For The Period / Year	33,243,601	660,956

11. Trade & Notes Receivables

	30/06/2026	31/12/2025
	EGP	EGP
Trade Receivables	200,628,122	68,151,104
Notes Receivables	122,496,674	12,151,306
Total Trade & Notes Receivables	323,124,796	80,302,410
(Less):		
Expected Credit Losses	(18,019,096)	(18,110,293)
Net Trade & Notes Receivables	305,105,700	62,192,117

Balance Of Expected Credit Losses Is As Follows:

	30/06/2026	31/12/2025
	EGP	EGP
Opening Balance For The Period / Year	18,110,293	18,212,756
No Longer Required During The Period / Year	- 91,197	(102,463)
Ending Balance For The Period / Year	18,019,096	18,110,293

12. Debtors & Other Debit Balances

	30/06/2026	31/12/2025
	EGP	EGP
Advances To Suppliers	18,242,808	33,846,394
Prepaid Expenses	9,660,530	9,425,985
VAT	360,260,212	437,204,881
Other Debit Balances	35,627,539	36,725,109
Total Debtors & Other Debit Balances	423,791,089	517,202,369
(Less):		
Expected Credit Losses	(737,688)	(737,688)
Net Debtors & Other Debit Balances	423,053,401	516,464,681

Balance Of Expected Credit Losses Is As Follows:

	30/06/2026	31/12/2025
	EGP	EGP
Opening Balance For The Period / Year	737,688	2,308,838
No Longer Required During The Period / Year	--	(1,570,727)
Used During The Period / Year	--	(423)
Ending Balance For The Period / Year	737,688	737,688

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13. 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 year and the balances of related parties at the date of the financial statements.

A- Due From Related Parties	Relationship	The Status & Nature Of Guarantees Related To The Balances	Nature Of Transactions	Transactions During The Period EGP	30/06/2026 EGP	31/12/2025 EGP
Suez Fertilizer Manufacturing Company	Subsidiary	Current Account Representing Transactions Between The Two Companies, To Be Settled Through Claims	Current Account	426,745,571	426,745,571	389,083,129
El Nasr Mining Company	Shareholder	Payment Is Made According To The Contract	Phosphate Purchases	504,391,745	20,635	184,380
Samad Misr- Fertilizer Company	Shareholder	Payment Is Made According To The Contract	Fertilizer Sales	18,720,077	--	5,753,019
			Notes Receivables	--	--	51,717,664
El Safa International Company	Shareholder	Payment Is Made According To The Contract	Fertilizer & Phosphate Sales	263,618,186	11,779,288	43,476,776
			Notes Receivables	--	67,323,224	103,917,184
Ferchem AgryFert	Shareholder	Payment Is Made According To The Contract	Fertilizer Sales	215,224,867	1,355,258	8,210,832
			Notes Receivables	--	34,479,998	214,110,552
Medvert Egypt For Investment	Shareholder	Payment Is Made According To The Contract	Fertilizer Sales	39,647,588	--	1,156,733
Sporting Club	Subsidiary Activity	Current Account	Dividend Distribution	8,705,039	2,452,023	--
Total Due From Related Parties					544,155,997	817,610,269

B- Due To Related Parties	Relationship	The Status & Nature Of Guarantees Related To The Balances	Nature Of Transactions	Transactions During The Period EGP	30/06/2026 EGP	31/12/2025 EGP
Suez Fertilizer Manufacturing Company	Subsidiary	Current Account Representing Transactions Between The Two Companies, To Be Settled Through Claims	Rents	11,750,000	11,750,000	4,750,000
Medvert Egypt For Trading	Shareholder	Payment Is Made According To The Contract	Fertilizer Sales	136,290,000	--	5,357,766
Al Safa International Company - Supplier	Shareholder	Payment Is Made According To The Contract	Magnesium Oxide Purchases	--	--	21,389,820
Egyptian Copper Company	Shareholder	Payment Is Made According To The Contract	Acid Sales	972,853	239,119	195,076
Misr Fertilizers Company – Shareholder	Shareholder	Payment Is Made According To The Contract	Fertilizer Sales	40,271,888	5,016	--
Total Due To Related Parties					11,994,135	31,692,662

C - Chairman, Board Members & Senior Management - Related Parties

	Salary EGP	Incentive EGP	Transportation EGP	Attendance Allowance EGP	Bouns EGP	Total EGP
Chairman & Board Members	3,056,250	--	4,563,900	46,100	2,250,000	9,916,250
Senior Management	1,728,752	639,532	153,000	460,000	667,675	3,648,959
Total	4,785,002	639,532	4,716,900	506,100	2,917,675	13,565,209

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14. Cash & Cash Equivalents

	30/06/2026 EGP	31/12/2025 EGP
Banks - Current Accounts	86,733,354	103,403,258
Banks - Time Deposits	167,280,000	44,762,800
Cash On Hand	1,191,925	879,586
Total Cash & Cash Equivalents	255,205,279	149,045,644

15. Capital

15-1 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.

15-2 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

15. Capital (Continued)

15-3 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 Secto	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

16. Reserves

	01/01/2026	Formed During The Period	30/06/2026
	EGP	EGP	EGP
Legal Reserve	113,246,652	31,265,078	144,511,730
Statutory Reserve	211,424,228	62,530,155	273,954,383
Reserve Invested In Government Bonds	306,830		306,830
Total Reserves	324,977,710	93,795,233	418,772,943

17. Income Tax

17-1 Income Tax Liability

	30/06/2026	31/12/2025
	EGP	EGP
Balance At The Beginning Of The Period / Year (Liability)	110,095,093	211,305,411
Settlement Of Corporate Tax - Debtit Balances	(53,822,274)	(13,261,172)
Income Tax Paid During The Period / Year	(56,272,819)	(198,044,239)
Income Tax For The Period / Year	104,811,790	110,095,093
Balance At The End Of The Period / Year	104,811,790	110,095,093

17-2 Deferred Tax Liabilities

Fixed Assets & Depreciation

	30/06/2026	31/12/2025
	EGP	EGP
Balance At The Begining Of The Period / Year (Liability)	182,981,984	143,283,666
Deferred Tax (Liability) Charged To The Separate Statement Of Profit Or Loss During The Period / Year	(1,009,648)	39,698,318
Balance At The End Of The Period / Year	181,972,336	182,981,984

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17. Income Tax (Continued)

17-3 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
Provisions	51,874,966	52,164,736
Impairment In The Value Of Assets - Trade Receivables &Debtors	4,220,276	4,240,796
Impairment In The Value Of Inventory	7,479,810	148,715
Total Unrecognized Deferred Tax Assets	63,575,052	56,554,247

17-4 Reconciliation To Reach The Local Tax Rate

	30/06/2026	31/12/2025
	EGP	EGP
Net (Loss) / Profit For The Period / Year	447,626,130	814,622,843
Tax Based On Local Tax Rate	100,715,789	183,290,140
Provisions Formed	7,331,095	48,810,733
Reversal Of Provisions	(245,519)	(4,793,537)
Capital Gains	(154,125)	--
Depreciation Differences	(6,103,857)	(41,397,219)
General Assembly And Boards Of Directors Attendance All	1,037,250	1,161,000
Other Additions To Net Accounting Profit	2,231,157	11,915,651
Utilization of Provisions For Tax Dedutible Expenses	--	(95)
Credit Balance For Amortization	--	11,337
Exemptions	--	(88,902,917)
Tax Based On Local Tax Rate	104,811,790	110,095,093
	23.42%	13.51%

17-5 Current Income Tax

	30/06/2026	31/12/2025
	EGP	EGP
Tax Based On Local Tax Rate	104,811,790	110,095,093
Treasury Bills Tax & Dividends Tax	--	39,510,855
Total	104,811,790	149,605,948

18. Loans & Banks - Credit Facilities

18-1 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 - USD *	57,189,972	73,809,478
Commercial International Bank - EUR **	192,146,696	270,959,299
Commercial International Bank - EGP **	40,908,200	47,726,560
Commercial International Bank - USD **	1,546,541	1,746,457
Commercial International Bank - EGP ***	35,910,119	40,398,884
Commercial International Bank - EUR ***	43,782,720	56,859,458
Commercial International Bank - EGP ****	176,608,128	108,944,692
Commercial International Bank - USD ****	146,322,410	51,755,060
National Bank Of Kuwait - EGP *****	16,315,385	19,115,385
National Bank Of Kuwait - USD *****	80,205,369	78,092,562
Total Long-Term Loans	796,549,221	756,892,744

Egyptian Financial & Industrial Company EFIC

18. Loans & Banks - Credit Facilities (Continued)

18-2 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 International Bank - EGP	13,636,720	13,636,720
Commercial International Bank - EUR	64,048,879	69,776,215
Commercial International Bank - USD	515,481	498,960
Al Ahli Bank Of Kuwait - EGP	5,600,000	5,600,000
Al Ahli Bank Of Kuwait - Foreign Currency	29,166,574	22,848,355
Commercial International Bank 2	8,977,530	8,977,530
Commercial International Bank 2 EUR	10,946,933	12,636,547
Total Loans Due Within One Year	174,761,219	174,621,520
Total Loans	971,310,440	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 $ 3.9 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.

***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.



18. Loans & Banks - Credit Facilities (Continued)

18-3 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
Bank Misr - EGP	100,000,000	20.00	5,676,700	10,771,047
Alex-Bank - EGP	202,000,000	20.75	35,649,256	28,650,000
Alex-Bank - USD	204,000,000	--	14,239,603	6,761,715
QNB – EGP	510,000,000	20.25	218,107,389	150,998,665
QNB – USD	--	--	145	141
National Bank Of Egypt – EGP	170,000,000	20.75	9,886,829	17,940,248
Kuwait Financing House KFH - EGP	700,000,000	20.25	193,770,610	69,812,834
National Bank Of Kuwait – EGP	200,000,000	20.00	32,115,922	81,325,476
Abu Dhabi Islamic Bank - EGP	150,000,000	20.50	48,150,265	72,935,783
Bank Nxt – EGP	800,000,000	20.00	181	142,750,614
QNB – EUR	--	--	213	212
QNB – GBP	--	--	205	202
CIB - EGP	325,000,000	(15) , (20)	178,148,163	93,481,979
Agricultural Bank Of Egypt - EGP	250,000,000	20.25	120	12,719,396
Emirates NBD – EGP	250,000,000	20.50	52,181,613	56,014,192
Attijariwafa Bank – EGP	200,000,000	20.25	112,774,810	109,687,125
Al Ahli Bank Of Kuwait – EGP	300,000,000	20.25	-	19,777,648
Al Ahli Bank Of Kuwait – USD	--	--	99,044,584	209,681,680
Bank Nxt – USD	--	--	586,175,712	541,220,660
Agricultural Bank Of Egypt - USD	--	--	18,054	127,750,538
Abu Dhabi Islamic Bank - USD	--	--	5,361,424	45,688,560
National Bank Of Kuwait – USD	--	--	-	2,383,566
Suez Canal Bank- EGP	300,000,000	20.25	4,566,006	--
Total Bank Credit Facilities	4,961,000,000		1,818,720,164	2,008,244,515

- Guarantees: Suez Fertilizer Manufacturing Company (subsidiary) owned by our company is guaranteed at rate of 99.86% + promissory note.
- Available facilities balance for use in future operating activities amounts to EGP 3,142 Billion, and there are no restrictions on the use of these amounts.

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19. Trade & Notes Payables

	30/06/2026	31/12/2025
	EGP	EGP
Trade Payables	479,457,624	354,794,721
Notes Payables	10,156,720	19,074,629
Due Within One Year	489,614,344	373,869,350
Long -Term Notes Payables	--	2,000,000
Total Trade & Notes Payables	489,614,344	375,869,350

20. Creditors & Other Credit Balances

	30/06/2026	31/12/2025
	EGP	EGP
Customers - Advance Payments	89,505,495	159,748,293
Deposits To Others	31,330,806	35,408,850
Tax Authority - Credit Balances *	5,047,543	8,444,256
Accured Expenses	28,941,597	20,572,637
Deductions From Employees, Agricultural Syndicate & Others	26,258,115	25,412,083
Social Insurance Authority	7,826,818	4,843,895
Deposits To Employees	222,411	256,904
Dividend Creditors	102,231,756	1,602,953
Social Comprehensive Health Insurance Contribution	9,240,430	13,446,045
Martyrs Fund	13,937	10,927
Deferred Revenues **	71,879,801	4,407,542
Other Creditors	5,983,966	3,470,694
Creditors & Other Credit Balances	378,482,675	277,625,079

* Balance Of Tax Authority - Credit Balances Are As Follows:-	30/06/2026	31/12/2025
	EGP	EGP
Witholding Tax - Freelancers	2,471,413	4,491,000
Payroll Tax	2,576,130	3,953,256
Total Tax Authority - Credit Balances	5,047,543	8,444,256

** - 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.

21. Provisions

	30/06/2026	31/12/2025
	EGP	EGP
Balance At the Beginning Of The Period / Year	231,843,273	34,538,104
Formed During The Period / Year	--	216,936,590
No Longer Required During The Period / Year	(1,000,000)	(19,631,421)
Used During The Period / Year	(287,869)	--
Balance At The End Of The Period / Year	230,555,404	231,843,273

- 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.

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22. Sales

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Granular Fertilizer Sales	1,798,951,631	1,569,735,527	876,155,977	635,089,225
Soft Fertilizer Sales	515,081,180	481,232,897	235,357,712	259,701,371
Soft Fertilizer Processing	68,264,332	--	12,823,442	--
Acid Sales	893,993,036	212,234,066	578,397,165	106,271,677
Sulfuric Acid Processing	118,320,343	--	94,700,719	--
Magnesium Sulfate Sales	196,803,414	79,936,393	94,519,099	79,936,393
Magnesium Sulfate Processing	2,448,400	--	2,448,400	--
Services Rendered	682,213	127,400	380,626	70,215
Others	7,897,394	10,507,304	4,966,232	7,156,770
Total Sales	3,602,441,943	2,353,773,587	1,899,749,372	1,088,225,651

23. Cost Of Sales

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Raw Materials	**2,663,866,934**	**1,721,711,976**	1,470,818,070	936,845,836
Wages & Salaries	**152,628,488**	**141,069,579**	73,949,862	71,076,837
Depreciation of Fixed Assets & Amortization of Right-of-Use Assets	**47,009,648**	**41,061,305**	22,517,634	21,535,101
Fuel & Spare Parts	**143,034,036**	**156,000,379**	67,910,009	81,469,749
Other Expenses *	**36,798,707**	**36,640,475**	17,495,571	19,572,259
Changes In Inventory Of Finished Goods	**(473,789,176)**	**(603,137,788)**	(374,380,685)	(391,837,584)
Total Cost of Sales	**2,569,548,637**	**1,493,345,926**	**1,278,310,461**	**738,662,198**

The "Other Expenses" item includes the following: *	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Rental of equipment and means of transport	**21,008,914**	**19,678,178**	**9,495,878**	**9,694,587**
Maintenance expenses	**3,502,183**	**5,901,852**	**1,747,544**	**3,219,652**
Outsourced operating expenses	**1,828,070**	**3,481,156**	**809,041**	**2,675,606**
Transportation and travel expenses	**1,192,526**	**1,151,829**	**625,689**	**658,153**
Water and administration	**127,438**	**103,500**	**122,088**	**62,355**
Other miscellaneous expenses	**9,139,576**	**6,323,960**	**4,695,331**	**3,261,906**
Total	**36,798,707**	**36,640,475**	**17,495,571**	**19,572,259**



24. Other Operating Income

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Al Ain Al Sokhna Complex Rent	12,500,000	12,500,000	6,250,000	6,250,000
Depreciation Of Leased Assets (Al-Sokhna Complex)	(8,952,728)	(8,952,681)	(4,501,095)	(4,582,903)
	3,547,272	**3,547,319**	**1,748,905**	**1,667,097**
Provisions No Longer Required	1,000,000	1,757,547	--	1,757,547
Impairment Of Receivables And Notes Receivable No Longer Requirec	91,197	102,463	91,197	102,463
Capital Gains	685,000	17,023	--	--
Rent Of Agricultural Land	110,374	68,700	110,374	68,700
Scrap Sale Income	89,328	28,945	89,328	28,945
Environmental Grant Revenue	1,932,157	--	617,868	--
Miscellaneous Revenues	6,516,718	5,627,458	(29,941,529)	2,733,052
Total Other Operating Income	**13,972,046**	**11,149,455**	**(27,283,857)**	**6,357,804**

25. Selling & Distribution Expenses

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Wages & Salaries	11,875,729	10,959,230	5,827,690	5,402,056
Fixed Assets Depreciation	20,958,535	38,029,410	8,397,126	24,620,337
Fuel & Spare Parts	3,774,566	2,156,399	2,299,157	1,465,017
Fixed Assets Depreciation	246,928	305,016	127,379	153,728
Other Expenses *	120,406,493	109,161,326	72,784,025	58,336,725
Total Selling & Distribution Expenses	157,262,251	160,611,381	89,435,377	89,977,863

The "Other Expenses" Item Includes The Following: *	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Outsourced Operating Expenses	117,383,115	108,548,676	71,435,294	58,137,749
Rental Of Equipment & Means Of Transport	2,184,934	9,231	909,179	9,231
Non-Employee Remuneration, Taxes & Fees	660,831	293,605	330,111	130,997
Transportation & Travel Expenses	93,783	242,443	39,566	51,893
Maintenance Expenses	83,830	67,371	69,875	6,855
Total	120,406,493	109,161,326	72,784,025	58,336,725



26. General & Administrative Expenses

	For Six The Month Ended		For Three The Month Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Wages & Salaries	69,374,703	63,395,847	38,139,604	32,675,020
Board Of Director Members Allowances	9,916,250	9,925,000	4,778,750	5,772,500
Social Health Contribution	9,240,430	5,987,677	4,887,994	2,771,931
Fixed Assets Depreciation	6,568,642	3,523,398	3,915,227	1,698,423
Bank Expenses	1,218,620	3,006,474	539,326	2,512,746
Amortization	744,715	744,715	374,415	374,414
Other Expenses*	38,279,111	36,638,774	21,188,874	17,210,044
Total General & Adminstrative Expenses	135,342,471	123,221,885	73,824,190	63,015,078

The "Other Expenses" Item Includes The Following:	For Six The Month Ended		For Three The Month Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Spare Parts - Fuel - Water - Stationery	13,641,735	7,889,714	7,264,644	3,632,420
Non-eEmployee Fees, Subscriptions & Professional Fees	1,515,148	5,927,982	-	4,161,844
Publishing, Printing, Advertising, Transportation & Travel	6,302,853	12,726,350	355,327	7,629,693
Maintenance, Outsourced Operating Expenses, Equipment Rental	3,525,606	4,340,125	2,760,830	743,550
Taxes, Fees, Donations & Insurance Charges	13,293,769	5,754,603	10,808,073	1,042,537
	38,279,111	36,638,774	21,188,874	17,210,044

27. Other Operating Expenses

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Inventory impairment	32,582,645	--	32,582,645	--
Formed Provision	--	2,109,376	--	--
Total Operating Exepenses	32,582,645	2,109,376	32,582,645	--

28. Finance Income

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Interest Income & Deposit Returns	7,243,416	10,389,650	2,887,278	5,169,727
Interest Income (Return On Advance Payments)	3,445,449	3,387,379	--	--
Total Finance Income	10,688,865	13,777,029	2,887,278	5,169,727

29. 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 Comissions	216,244,641	243,558,383	123,401,941	139,053,851
Foregin Exchange Differences	68,500,791	44,121,421	(184,804,133)	19,968,957
Total Finance Costs	284,745,432	287,679,804	(61,402,192)	159,022,808

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30. Investments Income

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP
Return On Government Bonds	4,712	8,462	2,356	6,101
Total Investment Income	4,712	8,462	2,356	6,101

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

	For The Six Months Ended		For The Three Months Ended	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
Net Income For The Period (EGP)	343,823,988	242,404,013	365,655,963	37,558,902
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 Share In Profit (EGP)	312,388,167	219,436,232	334,220,142	34,000,196
Waighted 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)	3.12	2.19	3.34	0.34

- The share of employees and the Board of Directors' bonus in the profits was determined according to the Board of Directors' proposal.

32. Operating Segments Reporting

The company has (2) operating segments, presenting financial reports to the senior management, and these reports present different products and services that operates separately as it requires different technological and marketing strategies. Operating segments reporting as follows: -

Segment Reporting	Operation
Acids	Manufacturer & Distribution Of Acids
Fertilizers	Manufacturer & Distribution Of Fertilizers

- 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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(32)Operating Segments Reporting (continued)

(32-1)Statement of Profit or Loss by Operating Segment

	Acids Segment Results		Fertilizer Segment Results		Total	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	EGP	EGP	EGP	EGP	EGP	EGP
Sales	1,020,892,985	222,868,769	2,581,548,958	2,130,904,818	3,602,441,943	2,353,773,587
(Less)						
Cost of Sales	(651,940,066)	(54,652,173)	(1,917,608,571)	(1,438,693,753)	(2,569,548,637)	(1,493,345,926)
Gross Profit	368,952,919	168,216,596	663,940,387	692,211,065	1,032,893,306	860,427,661
Add / (Less)						
Other Collection Revenue	3,959,526	1,055,180	10,012,520	10,094,275	13,972,046	11,149,455
Selling & Distribution Expenses	(4,835,130)	(430,840)	(152,427,121)	(160,180,541)	(157,262,251)	(160,611,381)
General & Administrative Expenses	(38,354,589)	(11,661,665)	(96,987,882)	(111,560,220)	(135,342,471)	(123,221,885)
Other Collection Expenses	(9,233,568)	(199,630)	(23,349,077)	(1,909,746)	(32,582,645)	(2,109,376)
Results of Operating Activities	320,489,158	156,979,641	401,188,827	428,654,833	721,677,985	585,634,474
Add / (Less)						
Financing Income	3,029,108	1,303,852	7,659,757	12,473,177	10,688,865	13,777,029
Financing Expenses	(80,693,768)	(27,225,890)	(204,051,664)	(260,453,914)	(284,745,432)	(287,679,804)
Net Financing Costs	(77,664,660)	(25,922,038)	(196,391,907)	(247,980,737)	(274,056,567)	(273,902,775)
Investment Income	1,335	801	3,377	7,661	4,712	8,462
Net Profit For The Period Before Tax	242,825,833	131,058,404	204,800,297	180,681,757	447,626,130	311,740,161
Add / (Less)						
Income Tax	(11,091,886)	(4,989,491)	(93,719,904)	(47,731,498)	(104,811,790)	(52,720,989)
Deferred Tax	106,848	(1,572,451)	902,800	(15,042,708)	1,009,648	(16,615,159)
Net Profit For The Period After Tax	231,840,795	124,496,462	111,983,193	117,907,551	343,823,988	242,404,013



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(32) Operating Segments Reporting (continued)

(32-2) Asset & Liability Operating Sectors

	Acid Sector Result		Fertilizer Sector Results		Other Sectors		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
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Assets Of Sectors	597,261,447	622,783,590	1,395,446,915	1,369,701,696	--	--	1,992,708,362	1,992,485,286
Intangable Assets	3,854,299	4,605,186	8,912,834	9,663,721	--	--	12,767,133	14,268,907
Investment Property Assets	11,655,061	--	17,482,592	--	--	--	29,137,653	--
Projects Under Constructions	150,959,453	66,474,606	468,850,351	301,243,075	--	--	619,809,804	367,717,681
Investments	122,730	122,460	184,100	183,689	449,395,590	449,395,590	449,702,420	449,701,739
Current Assets	554,964,228	924,436,780	2,313,917,130	2,019,527,624	544,155,996	691,427,855	3,413,037,354	3,635,392,259
Total Assets	1,318,817,218	1,618,422,622	4,204,793,922	3,700,319,805	993,551,586	1,140,823,445	6,517,162,726	6,459,565,872
Liabilities Of Sectors	1,694,169,214	1,902,247,118	1,524,361,988	1,777,286,227	--	--	3,218,531,202	3,679,533,345
Non Current Liabilities	--	--	--	--	978,521,557	920,408,777	978,521,557	920,408,777
Total Liabilities	1,694,169,214	1,902,247,118	1,524,361,988	1,777,286,227	978,521,557	920,408,777	4,197,052,759	4,599,942,122
Accumulated Depreciation & Amortization	250,497,955	183,355,905	312,368,331	254,976,714	--	--	562,866,286	438,332,619

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33. Legal Position

- A judgment was issued in the case filed by the Company against the former Head of the Financial Sector, who had been accused of embezzling an amount of EGP 28.5 million. The judgment was issued in his presence at the hearing of 16 April 2018, sentencing him to life imprisonment, ordering the return of the aforementioned amount, imposing a fine equal to that amount, dismissing him from his position, and referring the civil claim to the competent civil court.
- A judgment was issued in the lawsuit filed by Heliopotas France against the Company regarding the two contracts dated 30 November 2023 and 11 January 2024 for the purchase of 21,400 tons of super phosphate fertilizer, claiming an amount of EUR 4,200,000 and other amounts equivalent to EGP 215,468,257.

34. 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 is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and time deposits securities.

Trade & Notes Receivables

Credit risk arises based on the company's policy, procedures and control systems related to risk management. The customer's credit strength is measured based on a credit scorecard for each customer individually, and the credit limit is determined based on this assessment, and the company's revenues are due to a large group of solvent customers in addition to the fact that part of the company's revenues are collected in cash immediately after the sale process is executed, the existing balances of customers are constantly monitored, and the company conducts an impairment study in each financial period.

supervision of the Central Bank of Egypt, and therefore the risk of exposure to credit risks is weak.

Investments

The Company limits its exposure to credit risk by preparing detailed investment studies reviewed by the Board of Directors and does not expect any counterparty to fail in fulfilling its obligations.

Collateral

The Group's policy is to provide financial guarantees only for its subsidiaries—if necessary—and only after the approval of the Board of Directors and the Extraordinary General Assembly.

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.

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34. Financial Risk Management (Continued)

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.

34.1 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 Separate financial position is as follows:

	Note No.	**30/06/2026**	31/12/2025
		EGP	EGP
Trade &Notes Receivables	(11)	305,105,700	62,192,117
Debtors & Other Debit Balances	(12)	35,627,539	36,725,109
Due From Related Parties	(13-A)	544,155,997	817,610,269
Cash In Banks & Cheques Under Collection	(14)	254,013,354	148,166,058
Financial Investments At Fair Value Through Profit & Loss	(9)	306,830	306,830
Total		1,139,209,420	1,065,000,383

34.2 Liquidity Risk:

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

Contractual Maturities Of Financial Liabilities at :	Note No.	Book Value	Current	1-2 Years	2-5 Years
		EGP	EGP	EGP	EGP
June 30,2026					
Term Loans	(18-1/2)	971,310,440	174,761,219	349,522,440	447026781
Credit Facilities	(18-3)	1,818,720,164	1,818,720,164	--	--
Due to Related Parties	(13-B)	11,994,135	11,994,135	--	--
Trade & Notes Payables	(19)	489,614,344	489,614,344	--	--
Creditos & Other Credit Balances	(20)	164,630,633	164,630,633	--	--
Total		3,456,269,716	2,659,720,495	349,522,440	447,026,781

Contractual Maturities Of Financial Liabilities at :		Book Value	Current	1-2 Years	2-5 Years
		EGP	EGP	EGP	EGP
December 31, 2025					
Term Loans	(18-1/2)	931,514,264	174,621,520	349,243,041	407,649,703
Credit Facilities	(18-3)	2,008,244,515	2,008,244,515	--	--
Due to Related Parties	(13-B)	31,692,662	31,692,662	--	--
Trade & Notes Payables	(19)	375,869,350	373,869,350	2,000,000	--
Creditos & Other Credit Balances	(20)	89,539,637	89,539,637	--	--
Total		3,436,860,428	2,677,967,684	351,243,041	407,649,703

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34. Financial Risk Management (Continued)

34.3 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: -

Exposure To Currency Risk	USD	EUR	GBP	Total
June 30, 2026				
Banks Current Accounts	4,224,983	526	--	208,321,292
Suppliers & Debit Balances	152,731	4,500	--	7,783,124
Total Assets In Currency	4,377,714	5,026	--	216,104,416
Advance From Customers	673,897	--	--	33,223,122
Suppliers & Credit Balances	812,267	61,000	--	43,480,904
Loans	7,161,704	5,519,692	--	663,997,251
Banks – Credit Facilities	14,297,040	7	6	704,844,859
Total Liabilities In Currency	22,944,908	5,580,699	6	1,445,546,136
(Deficit) Exposure To Risk	(18,567,194)	(5,575,673)	(6)	(1,229,441,720)
Equivalent In EGP	(915,362,664)	(314,078,664)	(392)	(1,229,441,720)

	USD	EUR	GBP	Total
December 31, 2025				
Banks Current Accounts	1,238,837	666	--	59,154,629
Suppliers & Debit Balances	6,847,816	--	--	326,777,776
Trade & Other Receivables	10,145	--	--	484,119
Total Assets In Currency	8,096,798	666	--	386,416,525
Advance From Customers	2,808,906	--	--	134,040,976
Suppliers & Credit Balances	847,026	646,520	--	76,674,054
Loans	5,566,966	7,315,687	--	675,887,167
Banks – Credit Balances	19,561,750	4	3	933,487,136
Total Liabilities In Currency	28,784,647	7,962,211	3	1,820,089,332
(Deficit) Exposure To Risk	(20,687,849)	(7,961,546)	(3)	(1,433,672,808)
Equivalent In EGP	(987,224,167)	(446,448,448)	(193)	(1,433,672,808)

Exchange Rates For Currencies Against Egyptian Pound: -

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

Sensitivity Analysis

A 10% increase (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	(122,944,172)	122,944,172

A 10% increase (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 ignores any effect of forecasted sales and purchases.

	Profit Or Loss	
	Increase	Decrease
EGP	(143,367,281)	143,367,281

34. Financial Risk Management (Continued)

34.4 Interest Rate Risk

This Risk Is Represented In Interest Risk Related To Financial Instrument At Separate Financial Position Sheet Date As Follows:

Description	Carrying Amount 30/06/2026 EGP	31/12/2025 EGP
Financial Assets At A Fixed Interest Rate		
Financial Assets		
Banks – Time Deposits	167,280,000	44,762,800
Total	167,280,000	44,762,800
Financial Liabilities At A Variable Interest Rate		
Financial Liability		
Banks – Credit Facilities	1,818,720,164	2,008,244,515
Long - Term Loans	971,310,440	931,514,264
Total	2,790,030,604	2,939,758,779

The Company does not account for any financial assets or financial liabilities at a fixed interest rate 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 an impact on profit or loss.

34.5 Capital Management

For the purpose of managing the company's capital, capital includes the issued share capital and all other equity reserves of the company's shareholders. The company manages its capital structure and makes adjustments to it in light of changes in business conditions as well as to meet future activity's expansion. No changes were made in objectives, policies or operations during the period, and the company is not subject to any externally imposed requirements on its capital.

35. Tax status

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 dues has 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 2024.
- 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 2023/2024/2025 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 filled and the work of the internal Committee - In Progress.
- 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

Fifth: Property Tax

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

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36. 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 income statement according to the accrual principle.

37. 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 International Commercial Bank on combating industrial pollution of the Assiut plant.

38. Contingent Liabilities

Contingent Liabilities As Of June 30, 2026 Amounted To	Currency	Balance In Foreign Currency In Thousands	30/06/2026 Balance 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 A Loan From QNB	EGP	-	165
Total			6,097,518

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:

	30/6/2026 EGP
FOREX Differences Resulting From Trade Receivables	(21,157,732)
FOREX Differences Resulting From Trade Payables	(52,819,100)
FOREX Differences Resulting From Long Term Loans	(15,650,681)
FOREX Differences Resulting From Credit Facilities	39,967,585

40. 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.

41. Significant Events

On Thursday, 12 February 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to cut the overnight deposit rate, the overnight lending rate, and the main operation rate by 100 basis points to 19.00%, 20.00%, and 19.50%, respectively. The Monetary Policy Committee also decided to cut the credit and discount rate by 100 basis points to 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.

42. 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%.

