Sinai Cement Company
SAE

Separate Interim Financial Statements

&

Limited Review Report thereon

For the Six-Months Ended June 30, 2026

Contents

Medhat Ghaly
Albert Edward
Certified Accountant

مدحت غـــالى
البـــرت أدوارد
محاسبون ومراجعون

To the Members of the Board of Directors of Sinai Cement Company "SAE"

Introduction:

We have performed a limited review of the accompanying Separate interim statement of financial position of Sinai Cement Company (Egyptian Joint Stock Company) as at 30 June 2026, and the related Income statement, Comprehensive income, changes in equity, and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes.

The company's 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 Separate interim financial statements based on our limited review.

Scope of the Limited Review

We conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 - "Limited Review of Interim Financial statements Performed by the Independent Auditor of the Entity."A limited review of interim financial statements consists primarily of making inquiries of persons responsible for financial and accounting matters and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these Separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying Independent interim financial statements do not present fairly, in all material respects, the Separate financial position of the company as at June 30, 2026, and its Separate financial performance and its Separate cash flows for the period then ended, in accordance with Egyptian Accounting Standards and applicable Egyptian laws and regulations.

Auditor
Medhat Fouad Ghaly

Register Auditors the central bank of Egypt No. 8383
Register Auditors the General Authority for Financial Supervision No. 121
Register Auditors the Centeral Bank of Egypt No. 263

Cairo at 13 August 2026

NO.
8383

Sinai Cement Company
S.A.E
Separate Interim Statement of Financial Position
as of June 30.2026

	Note No	30/06/2026	31/12/2025
			Egyptian Pounds
Assets			
Non-Current Assets			
Fixed Assets (Net)	4	1,211,587,060	1,265,871,591
Intangible Assets (Net)	5	127,245,320	138,919,931
Construction Works In Process	6	775,579,205	267,673,812
Financial investments in affiliated companies	7	25,039,500	25,039,500
Investments at fair value through other comprehensive income	8	65,010	65,010
Total Non Current Assets		**2,139,516,095**	**1,697,569,844**
Current Assets			
Inventories(Net)	10	1,061,126,818	876,191,093
Debtors&Notes Receivable	11	289,169,072	243,390,012
Due From Affiliated Companies	12	7,806	7,806
Sundary Debtors(Net)	13	214,482,709	137,574,616
Other Debit accounts	14	344,268,526	577,635,635
Cash on hand and at Banks	15	5,488,351,045	4,762,348,666
Total Current Assets		**7,397,405,976**	**6,597,147,828**
Total Assets		**9,536,922,071**	**8,294,717,672**
Equity & Liabilities			
Equity			
Issued and paid-in Capital	16	2,608,124,770	2,608,124,770
Legal reserve	3/4	341,390,553	227,163,603
General reserve	3/5	29,359,411	29,359,411
Retained Earnings		3,041,464,001	871,151,948
Profit (losses) for the period		1,550,982,692	2,284,539,004
Total Equity		**7,571,321,427**	**6,020,338,736**
Non Current Liabilities			
Deferred Tax Liability	9	214,630,217	126,684,552
Lease Liability	18	124,205,517	111,742,265
Total Long Term Liabilities		**338,835,734**	**238,426,817**
Current Liabilities			
Due To Affiliated Companies	19	39,905,467	20,772,778
Lease Liability	18	9,293,676	25,823,623
Provisions	20	102,715,299	102,403,549
Suppliers, Creditors & Notes Payable	21	526,941,414	652,572,902
Other credit accounts	22	947,909,054	1,234,379,267
Total Current Liabilities		**1,626,764,910**	**2,035,952,119**
Total Liabilities		**1,965,600,644**	**2,274,378,936**
Total Liabilities & Equity		**9,536,922,071**	**8,294,717,672**

_The Accompanying notes are an integral part of these Separate Interm financial statements
_Limited Review report attached

Head of Finance	Chief Financial Officer	Chairman
Wael Mohamed Ali Mohamed Abd-Rabbou	Mohamed Mohsen Mostafa Kamel	Hady Samir Ayad
Abd Rabbou	Mohamed Mohsen	

MEDHAT GHALY
NO. 8383
CERTIFIED ACCOUNTANT

Sinai Cement Company

S.A.E

Separate Interim Statement of Profit or Loss

For the Six-Months Ended June 30, 2026

	Note No.	From 1/4/2026 To 30/6/2026	From 1/1/2026 To 30/6/2026	From 1/4/2025 To 30/6/2025	Egyptian Pounds From 1/1/2025 To 30/6/2025
Revenues		2,611,239,152	4,746,702,778	2,002,343,989	4,018,540,801
Less					
Cost of Goods Sold	23	1,363,765,879	2,333,012,565	945,696,392	2,061,130,894
GROSS Profit (LOSS)		**1,247,473,273**	**2,413,690,213**	**1,056,647,597**	**1,957,409,907**
LESS:					
Selling and distribution expenses	24	129,970,619	314,924,788	213,140,310	402,993,099
General and admnistrative expenses	25	85,885,263	185,459,765	84,853,633	146,908,021
Finance expenses		2,689,794	5,765,565	11,392,842	23,199,475
Provisions other than depreciation		4,314,236	39,538,627	5,738,034	38,225,138
TOTAL EXPENSES		**222,859,912**	**545,688,745**	**315,124,819**	**611,325,733**
Operating Profit (Losses)		**1,024,613,361**	**1,868,001,468**	**741,522,778**	**1,346,084,174**
Add(deduct):					
Interest Income		57,797,987	111,485,784	42,959,427	74,378,062
gains (Losses) on assets disposal		-	762	(297,517)	-
Unusual Income		518,113	518,113	-	-
Other Income		3,166,705	18,401,022	43,600	1,848,166
Foreign Exchange gains (losses)		(511,784,780)	106,933,689	(32,999,473)	(31,112,562)
Net Profit (Losses) before tax		**574,311,386**	**2,105,340,838**	**751,228,815**	**1,391,197,840**
Add(deduct):					
Deferred taxes		80,884,406	(87,945,666)	(6,744,788)	(299,570,759)
Corporate tax		(218,692,054)	(466,412,480)	(172,881,132)	(325,474,663)
Net Profit (Losses) after tax for the period		**436,503,738**	**1,550,982,692**	**571,602,895**	**766,152,418**
Earning Profit (Losses) Per Share of the holding company	26	**1.67**	**5.95**	**1.34**	**2.07**

_The Accompanying notes are an integral part of these Separate interim financial statements
_Limited Review report attached

Head of Finance	Chief Financial Officer	Chairman
Wael Mohamed Ali Mohamed Abd-Rabbou	Mohamed Mohsen Mostafa Kamel	Hady Samir Ayad

Sinai Cement Company

S.A.E

Separate Interim Statement of Comprehensive Income

For the Six-Months Ended June 30, 2026

	From 1/4/2026 To 30/6/2026	From 1/1/2026 To 30/6/2026	From 1/4/2025 To 30/6/2025	From 1/1/2025 To 30/6/2025
				Egyptian pounds
NetProfit(Losses) for the year	436,503,738	1,550,982,692	571,602,895	766,152,418
Total Comprehensive Income Profit (Loss)	**436,503,738**	**1,550,982,692**	**571,602,895**	**766,152,418**

_The Accompanying notes are an integral part of these Separate Interm financial statements

_Limited Review report attached

Sinai Cement Company

S.A.E

Separate Interim Statements of Changes in Shareholder's Equity

For the Six-Months Ended June 30, 2026

Egyptian Pounds

	Capital	Paid under capital increase	Legal Reserve	General Reserve	Retained Earnings	Profit(losses)of The period	Total
Balance as at 1/1/2025	1,330,658,670	1,277,466,100	227,163,603	29,359,411	(2,201,209,864)	3,072,361,811	3,735,799,731
Convert 2024 Gains (losses) into profits	-	-	-	-	3,072,361,811	(3,072,361,811)	-
Gains (losses) for the ending financial period 30/06/2025	-	-	-	-	-	766,152,418	766,152,418
Balance as at 30/06/2025	1,330,658,670	1,277,466,100	227,163,603	29,359,411	871,151,947	766,152,418	4,501,952,149
Balance as at 1/1/2026	2,608,124,770	-	227,163,603	29,359,411	871,151,948	2,284,539,004	6,020,338,735
Year 2025 profit transferred to profit brought forward	-	-	-	-	2,284,539,004	(2,284,539,004)	-
Transfer to Legal Reserve from Prior Year Net Profit	-	-	114,226,950	-	(114,226,950)	-	-
Net Profit for the period ending 30/06/2026	-	-	-	-	-	1,550,982,692	1,550,982,692
Balance as at 30/06/2026	2,608,124,770	-	341,390,553	29,359,411	3,041,464,001	1,550,982,692	7,571,321,427

_The Accompanying notes are an integral part of these Separate Interm financial statements

_Limited Review report attached

NO. 8333

Sinai Cement Company

S.A.E

Separate Interim Statement of Cash Flows

For the Six-Months Ended June 30, 2026

Egyption Pounds

	Note NO.	30/06/2026	30/06/2025
- Net(losses) before tax and extraordinary items		2,105,340,838	1,391,197,840
Adjustments to reconcile net losses with cash flows from operating activities			
- Depreciation	4	54,284,531	47,302,679
- Amortization	5	11,674,611	11,674,611
- Provisions other than deprecation		39,538,627	38,225,138
- Finance expense		5,765,565	23,199,475
- Foreign Exchange gains Profit (losses)		(106,933,689)	31,112,562
- Capital gains profit (losses)		(762)	-
- Interest income		(111,485,784)	(74,378,062)
- Unusual Income		(518,113)	-
- Other Income		(18,401,022)	(1,848,166)
Profit from operations before changes in working capital		**1,979,264,802**	**1,466,486,077**
- Change in inventories		(184,935,725)	20,921,155
- Change in debtors & notes receivable		(45,779,060)	23,996,537
- Change in due from affiliated companies		-	4,162,717
- Changein sundry debtors		(76,908,094)	(29,213,733)
- Change in other debit accounts		233,367,109	74,225,747
- Change in provision		(39,226,877)	(1,116,511)
- Change in suppliers,creditors and notes payable		(125,631,489)	66,602,064
- Change in other credit accounts		(752,882,694)	(237,845,923)
- Change in Lease Liability		(4,066,695)	1,177,080
- Change in due to affiliated companies		19,132,689	15,364,721
Net cash generated from operating activities		**1,002,333,966**	**1,404,759,931**
CASH FLOWS FROM INVESTING ACTIVITIES:			
- Payment for purchase of fixed assets		-	(238,455,004)
- Proceeds from sales of fixed assets		4,386	-
- Exclusions from the sale of fixed assets		(3,623)	-
- Payment to construction works in progress		(507,905,393)	170,600,585
- Proceeds from interest income		111,485,784	74,378,062
- Unusual Income		518,113	-
- Receipts from Other Revenue		18,401,022	1,848,166
Net cash resulted from (used in) investing activities		**(377,499,711)**	**8,371,809**
CASH FLOWS FROM FINANCING ACTIVITIES:			
- Receipts under Capital Increase		-	147,466,100
- Proceeds from Loans from affiliated Companies		-	(427,905,191)
- Payment of finance expenses		(5,765,565)	(23,199,475)
Net cash generated (used) in financing activities		**(5,765,565)**	**(303,638,566)**
Net increase (decrease) in cash during the period		619,068,690	1,109,493,174
Cash & cash equivalent at the beginning of the period		4,762,348,666	1,890,505,077
- Foreign Exchange Gains Profit (losses)		106,933,689	(31,112,562)
Cash & cash equivalent at the end of the period	15	**5,488,351,045**	**2,968,885,689**

_The Accompanying notes are an integral part of these Separate Interm financial statements

_Limited Review report attached

MEDHAT GHALY
NO. 8393
CERTIFIED ACCOUNTANT

Sinai Cement Company (SAE)
Notes to the Separate Interim Financial Statements
For the Six-Months Ended June 30, 2026

1. Activities:

- Sinai Cement Company (SAE) has been established in accordance with Law No. 8 for the year 1997 and pursuant to resolution No. 72 for the year 1998 to produce cement, packing bags and the manufacture of all cement products. The actual production was started with effect from 22/1/2001 as per the resolution of the Public Authority for Investment and Free Zones dated 22/9/2001. The company's term is twenty-five years, ending on 4/9/2032, and its headquarters is in Cairo.

2. Financial Statements basis of preparation:

A. Going Concern:

The financial statements have been prepared in accordance with Egyptian Accounting Standards under the historical cost principle, except for financial assets and liabilities resulting from foreign exchange swap contracts, financial investments available for sale and financial investments held for trading, which are valued at their fair value.

B. Accounting Standards and applied Laws:

- Financial statements are prepared in accordance with Egyptian Accounting Standards issued by the Investment Minister decree No 110 for 2015 dated 9th July 2015 and in accordance with related current local laws and regulations.

C. Currency:

- The financial Statements are presented in Egyptian Pounds Transaction Currency.

D. Accounting Estimates:

- Accounting Standards, the management has to adopt key assumptions and estimates that may cause adjustment to the carrying amounts of the assets, liabilities, expenses and revenues during the financial year and the actual results may differ from the estimates. Such assumptions and estimates are studied and reviewed continuously and the results for modifying such accounting estimates are recognized in the period such modifications were affected and future period affected by such amendments.
  The assumptions and estimates represented mainly in applying the accounting policies with significant influence such as:
- Fixed assets note (4)
- Construction work in progress note (6)
- Deferred tax note (9)
- Provisions note (20)
- Financial instruments note (31 - 32)

3- Significant accounting policies applied

- The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

3/1: Translation of Transactions in Foreign Currencies:

- The company maintains its accounts in Egyption Pounds. Transactions made in foregin currencies are translated according to the exchange rates ruling at the day of the transaction.
- Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.

- Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.
- At the end of the financial period, the balances of monetary assets and liabilities are translated according to the exchange rate prevailing at that day and any foreign currencies differences resulted during the year and at the translation date are recorded in the income statement at 30th June 2026, the exchange rates were:-

U$ Dollar	= L.E 49.2975
€ Euro	= L.E 56.2139

3/2: Fixed assets and depreciation:

Recognition and initial measurement:

- Fixed assets are stated at cost less accumulated depreciation (note No.4) and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use.
- The company capitalize some expenses related to periodical major overhaul for the production line and add it to the fixed assets during the maintenance work done by Relliance Company for Heavy Industries and ASEC company, which are currently responsible for the technical management, complete operational services and maintenance for the Clinker production equipment and Cement packing.
- **Depreciation** is calculated on the basis of the straight-line method.Depreciation is to be charged to the income statement based on the estimated useful life of fixed assets and consistent with preceeding year, at the following rates:

Buildings & Utilities	2% - 2.5%
Machinery	5%
Motor Vehicles	20%
Tools	20%
Furniture & Office equipment	10%-25%

3/3: Lease Contracts:

In accordance with Egyptian Accounting Standard No. (49) on lease contracts, leases are accounted for as follows:

Initial Recognition and Measurement:

- **Right-of-Use Asset:** The right-of-use asset (leased assets) is initially measured at the lease commencement date. The initial measurement of the leased assets (right-of-use asset) is based on the present value of unpaid lease payments at that date. Lease payments are discounted using the implicit interest rate in the lease if it can be readily determined; otherwise, the lessee's incremental borrowing rate is used. The initial measurement also includes any lease payments made before or at the lease commencement date, minus any lease incentives received, and any directly attributable initial costs incurred by the lessee.

- **Lease Liability:** The lease liability is initially recognized and measured at the lease commencement date at the present value of unpaid lease payments at that date. Lease payments are discounted using the implicit interest rate in the lease if it can be readily determined; otherwise, the lessee's incremental borrowing rate is used.

Subsequent Measurement:

- **Right-of-Use** Asset: After the lease commencement date, the right-of-use asset is measured using the cost model, whereby the asset is measured at cost less accumulated depreciation and any accumulated impairment losses. Adjustments are made for any remeasurement of the lease liability.

- **Lease Liability:** After the lease commencement date, the lease liability is accounted for as follows:

  a. The carrying amount of the lease liability is increased to reflect interest on the lease liability.

  b. The carrying amount of the lease liability is reduced to reflect lease payments made.

  c. The carrying amount of the lease liability is remeasured to reflect any reassessment or modification of the lease contract, or to reflect any changes in in-substance fixed lease payments.

  d. Interest on the lease liability is recognized in the income statement as part of finance costs.

3/4: Legal Reserve:

- A legal reserve is made at the rate of 5% out of net profit annually till the reserve reaches 50% of the company's issued capital.

3/5: General reserve:

- According to Article No. (55) of the company association, a general reserve was previously formed at the amount of EGP 29,359,411, and this amount may have been since 2001, and it was formed for the purpose of securing expected financial liabilities that may fall on the company in the future based on what came in the report Board of Directors for the fiscal year ending 31/12/2001.

3/6: Construction Works in Progress:

- Projects under construction represent the amounts that are paid for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Fixed assets under construction are valued at cost net of impairment loss.

3/7: Long term Financial Investments:

A- Investment in Subsidiaries

- Investments in Subsidiaries are investments in companies controlled by another entity. Control is presumed to exist if the Parent Company owns directly or indirectly through subsidiaries, more than half of the voting power of the entity invested in, unless in exceptional circumstances, it can be clearly determined that such ownership does not constitute control.
- Investments in Subsidiaries are stated - when acquired - at its acquisition cost, if a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such reduction and will be charged to the income statement for each investment, and the resulting losses from the impairment cannot be charged back.

B- Investment in Affiliated Companies

- Investment in Affiliated Companies is investment in an entity over which the Company has a significant influence, but it is neither a subsidiary company nor a joint venture project. Significant influence exists when the company directly or indirectly owns 20% or more of the voting rights in the invested company, unless in exceptional circumstances, it can be clearly determined that such ownership does not constitute influence.
- Investments in Affiliated are stated at its acquisition cost- when acquired -, If a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such reduction and will be charged to the income statement for each investment and the resulting losses from the impairment cannot be charged back.

C- Other financial Investment

- Other financial investment represents non-derivative financial assets that are intended to be held for an indefinite period and may be sold in response to a need for liquidity or changes in interest rates, exchange rates or shares.
- Other financial investment measured by cost including the direct expenses related to its purchase.
- Other financial investment included in the non-current assets and recorded by fair value and the proceed from changes in fair value or sale of these investments either profit or loss are charged to income statement as these investments are not traded in the stock exchange and there are no studies for its fair value, hence recorded at cost.

3/8: Inventories:

- Inventories of raw materials and supplies are valued on the basis of less of actual cost or salable value.
- Inventories of finished products and semi-finished products are valued on the basis of less of actual cost or net salable value.

- The net of the salable value is determined on the basis of the expected sale price in the normal circumstances less the estimated costs needed and any other costs required to finalize the sale process.
- The company is using the weighted average method when pricing the inventory released for production and the coal stock pricing policy was changed from the first-in, first-out (FIFO) policy to the weighted average policy in line with the company's management, and this resulted in the company incurring losses, and those losses were charged to the income statement.
- The decrease in the value of inventory is recognized to the net selling value and all inventory losses are included in the cost of sales in the income statement in the period in which the decrease or loss occurred. The response occurred.

3/9: Income Tax & Deferred Tax:

- Income tax comprises profit/loss of the current tax period/year and deferred tax. Income tax expense is recognized in profit or loss except for items recognized directly in equity, in which case it is recognized in equity.
- The deferred tax resulting from temporary time differences between the book value of assets and liabilities is recognized according to the accounting basis and their value according to this tax basis. The value of the deferred tax is determined based on the expected method of achieving or settling the values of assets and liabilities using the tax rates in effect on the date of preparing the company's budget, and the assets are recognized. Deferred tax when there is a strong possibility that taxable profits can be achieved in the future through which this asset can be used, and the value of deferred tax assets is reduced by the value of the part from which the expected tax benefit will not be realized during the following years.

3/10: Borrowing costs:

- Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.
- All other borrowing costs are expensed in the period in which they are incurred.

3/11: Revenue Recognition:

- Revenue is recognized when the product is delivered and its ownership is finally transferred to customers & an invoice is issued. Through this invoice the revenue can be measured and the company incurred cost can be determined in an accurate and reliable way.
- The interest income is recorded according to timing percentage basis taking into consideration the targeted income on assets.
- The stages of revenue recognition are as follows:
  1. Determine the contract.
  2. Determine the performance obligation.
  3. Determine the transaction price.
  4. Distributing the transaction price over the performance obligation.
  5. Revenue Recognition.

3/12: Cash and Cash Equivalents:

- The statement of cash flows is prepared on the basis of "Indirect Method" according to Egyptian Accounting Standard No. 4 "Cash Flow" and for the purpose of preparing the cash flow statement, Cash and cash equivalents includes Cash at hands and in Banks and time deposits with original maturities of three months or less and not subject to risk of change in its fair value.

3/13: Provisions:

- A provision is 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 can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
- In the case of the existence of contingent liabilities that does not apply to the recognition conditions, either because of lack of expected flows to outflows resources which include the economic benefits required to settle the obligation or it is not possible to estimate the value of commitment reliably then it is disclosed in the financial statements.

3/14: Employees Benefits:

The Benefits of retirement pensions

- The company pays the contributions to the Public Authority for Social Insurance for the benefit of employees of the company, according to Social Insurance Law No. (79) Of 1975, and its amendments. The subscriptions amounts included in the income statements, according to accrual basis. The company is not committed to paying any obligations other than the value of the contributions mentioned above.

The end of services benefits

- The company calculates the obligations arising from the benefits of the end of service as specified in the assessment of the benefits of future earned by employees and subject those benefits are deductible to determine their present value by an actuary and recognize the profit or loss on the settlement of the benefit of end of service and that at the time of the settlement and the company follows International Accounting Standards No. 19, and its amendments "Employee Benefits".

3/15: Impairment of Assets:

- At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
- Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

- Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3/16: Profit distribution:

- Profit distribution is recognized as a liability in the period in which they are declared and approved by the AGM.

3/17: Earning per share

- Earnings per share is calculated by dividing the profit available for distribution by the average number of the shares outstanding during the period/year.

3/18: Related Party Transactions:

- Related parties are represented by the Company' shareholders, board of directors, executive directors and/or companies in which they own directly or indirect shares, giving them significant influence or controls over the company. Transactions with related parties are recognized in the context of regular transactions according to the conditions determined by the board of directors. Transaction with related parties is carried out on the same basis as the company deals with other parties.

3/19: Treasury Shares:

- Treasury shares consist of the Parent Company's own issued shares that have been reacquired by the Company and not yet reissued or cancelled, the treasury shares are accounted for using the cost method which include all direct costs related to the purchase transaction and in case the company sell the treasury shares with higher or lower price, the gain /loss is charged to the Shareholders Equity. The treasury shares are deducted from the equity. Noncash dividends are paid on these shares. The issue of bonus shares increases the number of treasuries shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

3/20: Expenses Recognition:

- All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss in the financial year in which these expenses were incurred.

3/21: Debtors and Sundry Debtors:

- Trade, notes and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, an estimate of doubtful debts is made when collections of the full amount are no longer probable, Bad debts are written off when identified, other debit balances are stated at cost less impairment losses.

3/22: Creditors and Suppliers:

- Trade, contractors, and other credit balances are stated at cost.

3/23: 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- For assets traded in an active market, fair value is determined by reference to quoted market bid prices.
- The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.
- For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

3/24: Financial Investment held for Trading:

- The financial investment held for trading is measured by cost including the direct expenses related to its purchase.
- The investment held for trading are included in the current assets and recorded by fair value and the proceed from changes in fair value or sale of these investments either profit or loss are charged to income statement as these investments are not traded in the stock exchange and there are no studies for its fair value, hence recorded at cost.

4. Fixed Assets:

Detailed as follows:

Egyptian Pounds

Details	Building & Utilities	Machinery & Equipment	Motor Vehicles	Tools	Office Furniture & Equipment	Total
Cost 1/1/2026	834,757,411	2,182,615,926	37,425,653	42,816,197	43,239,967	3,140,855,154
Additions of the period	-	-	-	-	-	-
Disposals of the period	-	-	-	-	33,673	33,673
Cost 30/06/2026	**834,757,411**	**2,182,615,926**	**37,425,653**	**42,816,197**	**43,206,294**	**3,140,821,481**
Acc Depreciation at 1/1/2026	298,821,711	1,492,350,013	23,542,358	34,819,519	25,449,962	1,874,983,563
Dep. of the period	10,519,056	38,648,359	1,503,070	1,073,561	2,536,861	54,280,907
Disposals of the period	-	-	-	-	30,049	30,049
Accumulated Depreciation at 30/06/2026	**309,340,767**	**1,530,998,372**	**25,045,428**	**35,893,080**	**27,956,774**	**1,929,234,421**
Net Book Value 01/01/2026	**535,935,700**	**690,265,913**	**13,883,295**	**7,996,678**	**17,790,005**	**1,265,871,591**
Net Book Value 30/06/2026	**525,416,644**	**651,617,554**	**12,380,225**	**6,923,117**	**15,249,520**	**1,211,587,060**

Fully depreciated fixed assets and still in use in Sinai Cement Company as of 30 June 2026 amounted to LE 381,301,138. There are no fixed assets that are temporarily broken-down, or out of use or retained until disposal as of 30/06/2026.

5. Right-of-Use Assets

- On March 21, 2022, a contract was executed for the transfer of freehold rights and the licensing of the right to use a property (the land on which Sinai Cement's factory and its facilities are located). This agreement was made between North Sinai Governorate (First Party) and Sinai Cement Company (Second Party).
- The agreement stipulated the transfer of the freehold rights of the land owned by the Second Party in Sinai to the First Party in exchange for an amount equivalent to the netbook value of the land. In return, a right-of-use contract was granted to the Second Party for the land.
- Contract Duration: 50 years, with the option to extend for an additional period not exceeding 25 years.
- Transfer Value: The netbook value of the land transferred amounted to EGP 1,651,078.
- Annual License Fee: EGP 100,000, increasing annually by 10% of the original amount.
- The annual right-of-use fee is deducted from the netbook value of the land until the full amount is exhausted.
- The Extraordinary General Assembly of Sinai Cement Company, held on January 26, 2022, and approved by the General Authority for Investment and Free Zones on March 14, 2022, ratified this right-of-use agreement.
- On May 27, 2024, a lease agreement was signed between Marakez Sokhna for Real Estate Projects and Sinai Cement Company for the lease of an administrative unit covering 1,109.76

square meters in the District 5 - Campus project. The space will be used as an administrative headquarters, along with the right to use seven parking spaces in the garage.

- Lease Term: 7 years, commencing the day after the completion of the preparation period on December 1, 2024.
- Payment Terms: Rent, maintenance fees, and security deposits will be paid in Egyptian pounds, equivalent to the US dollar exchange rate as announced by the Central Bank of Egypt on the due date.
- Advance Payments: The first nine months' rent was paid in advance. The remaining rent will be paid in quarterly installments in advance. Additionally, maintenance fees for the first nine months were paid in advance, along with a three-months deposit as per the contract.

Egyptian Pounds

Details	Land	Building Lease	Total
Cost 1/1/2026	951,140	163,311,394	**164,262,534**
Additions of the period	-	-	-
Disposals of the period	-	-	-
Cost 30/06/2026	**951,140**	**163,311,394**	**164,262,534**
Acc Amortization at 1/1/2026	68,221	25,274,382	**25,342,603**
Amortization of the period	9,511	11,665,100	**11,674,611**
Disposals of the period	-	-	-
Accumulated Amortization 30/06/2026	**77,732**	**36,939,482**	**37,017,214**
Net Book Value 01/01/2026	**882,919**	**138,037,012**	**138,919,931**
Net Book Value 30/06/2026	**873,408**	**126,371,912**	**127,245,320**

6. Construction Works in Progress:

- The construction works in progress as of 30/06/2026 represent the work and advances for the buildings, construction, roads and other works performed in the plant as follows:
-

Egyptian Pounds

Details	Balance as of 30/06/2026	Balance as at 31/12/2025
Projects in Progress	436,003,372	174,030,822
Investment spending		
Letters of credit	1,427,075	-
Advance Payments	338,148,758	93,642,990
Total	**775,579,205**	**267,673,812**

7. Long-term Financial Investments:

- Detailed as follows: Egyptian Pounds

Name of the company	No. of shares	Value per share	Shareholding (%)	Total Shareholding & Amount paid.	Carrying value At 30/06/2026	Carrying value At 31/12/2025
Sinai Cement for Services	2,499,000	10	99.96%	24,990,000	24,990,000	24,990,000
Sinai Cement for International Trade	4,950	10	99%	49,500	49,500	49,500
Total				**25,039,500**	**25,039,500**	**25,039,500**

- Summary of the financial information of the investment companies as per their financial statements detailed as follows:

Egyptian Pounds

Details	Assets	Liabilities	Equity	Revenue	Expenses	Profit (losses)
30/06/2026						
Sinai Cement for Services	61,112,180	42,183,712	18,928,468	90,151,057	80,014,664	10,136,393
Sinai Cement for International Trade*	-	-	-	-	-	-

- Sinai Cement company participation in the shareholding of Sinai Cement for international trade (LLC) represents shareholding in the issued and paid in capital. The company purpose is export, import and commercial agency. The company has not started its operations yet and has not issued any financial statements yet.

8. Financial Investments:

- Represent value of 2167 shares from the Development Company for the industrial free zone of East Port Said with value of LE 50 per share. The paid amounted to LE 65,010 representing
- LE 30 per share and the shareholding 00.15% represent Sinai Cement Company got this investment as a result of liquidating the Egyptian investment and Finance Company and the company has no plan yet for such investment.

9. Deferred Tax:

- The Company calculates the deferred tax in accordance with the independent tax consultant's memorandum as of 30/06/2026 the deferred tax liability amounted to L.E 214,630,217.

10. Inventories (Net):

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Finished Products (packed & bulk)	71,048,829	75,178,746
Semi-Finished products	285,142,341	52,452,706
Work in process	5,484,522	3,216,985
Raw materials	76,675,812	96,739,595
Spare parts, Oils, Refractories & Supplies	289,448,296	234,015,949
Fuel	366,507,634	393,857,789
Packing materials	20,468,158	35,151,219
Total	**1,114,775,592**	**890,612,989**
Less: Provision for slow moving inventories	53,648,774	14,421,896
Inventories (net)	**1,061,126,818**	**876,191,093**

11. Debtors and Notes Receivable (Net):

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Customers	65,586,172	19,273,762
Notes receivables	223,582,900	224,116,250
Total	289,169,072	243,390,012

12. Due from affiliated companies:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Sinai Cement for International Trade	7,806	7,806
Total	**7,806**	**7,806**

13. Sundry Debtors (Net):

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Advances to Suppliers	143,150,513	97,475,673
Sundry Debtors	73,332,196	42,098,943
Total	**216,482,709**	**139,574,616**
Less: Expected Credit Loss	2,000,000	2,000,000
Net	**214,482,709**	**137,574,616**

14. Other Debit Accounts:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Refundable Deposits	42,332,034	43,441,908
Prepaid Expenses	39,484,189	16,277,917
Accrued Income (Interest income)	3,733,380	3,733,380
Accrued export subsidies	87,693,785	313,976,851
Letters of Credit - (Spare parts & other supplies)	9,269,621	82,606,912
Payment under tax account	154,473,214	97,506,948
Withholding TAX	7,282,303	20,091,719
Total	**344,268,526**	**577,635,635**

15. Cash on hand & at the Bank:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Cash on hand	1,028,196	891,429
Bank current accounts L. E	251,347,459	406,133,714
Bank current accounts Foreign	282,604,456	86,508,405
Bank current accounts with interest L. E	94,614,688	297,128,475
Bank current accounts with interest Foreign	3,900,531,036	3,038,712,939
Cash at bank - Deposits L. E	1,318,451	100,580,000
Cash at bank - Deposits Foreign	739,462,500	716,071,500
Cheques under collection L.E	58,001,714	70,365,125
Letters of credit	159,442,545	45,957,079
Total	**5,488,351,045**	**4,762,348,666**

16. Capital:

- The authorized capital amounted to L.E 10 Billion. As of 30/06/2026 the issued, subscribed and paid in capital amounted to L.E 2,608,124,770 and divided into 260,812,477 shares of L.E 10 each.

17. Capital increase:

On 26/2/2024, the Extraordinary General Assembly approved increasing the capital from 1,330,658,670 EGP to 3,012,666,190 EGP (only three billion twelve million six hundred sixty-six thousand one hundred and ninety Egyptian pounds) with an increase of 1,682,007,520 EGP, provided that this increase is paid in cash or by using the debts owed to shareholders in the financial position on 30/12/2023 and approved by the Economic Performance Sector on 28/2/2024 towards the company.

The subscription share amounted to 1,277,466,100 EGP on 31 Dec 2024, amounting to 127,746,610 shares.
The balance of the outstanding amount with the bank under the capital increase reached 147,466,100 EGP.
On April 22, 2025: The increase in the paid-up capital was approved and registered in the commercial register. The paid-up capital has become EGP 2,608,124,770 (Two billion, six hundred eight million, one hundred twenty-four thousand, seven hundred seventy Egyptian Pounds). The number of shares is 260,812,477 (Two hundred sixty million, eight hundred twelve thousand, four hundred seventy-seven shares),
with a par value of EGP 10 (Ten Egyptian Pounds) per share.

18. Lease Contract:

Details	Land	Building Lease	Total
31/12/2025			
Current	140,000	25,683,623	25,823,623
Non-current	868,000.	110,874,265	111,742,265
Total	**1,008,000**	**136,557,888**	**137,565,888**
30/06/2026			
Current	104,452	9,189,224	9,293,676
Non-current	955,774	123,249,743	124,205,517
Total	**1,060,226**	**132,438,967**	**133,499,193**

- **Current part:** The part of the lease liability that is due within less than one year from the reporting date.
- **Non-current part**: The part of the lease liability that is due more than one year after the reporting date, including future payments due after the current financial year.

Movement on lease contract:

Details	30/06/2026	31/12/2025
Balance 1/1/2026	137,565,888	149,957,681
Additions	-	-
Modifications	4,627,186	9,454,533
Interest Expenses	4,849,247	9,667,965
Payments from liabilities during the year	13,543,128	12,605,225
Total	**133,499,193**	**137,565,888**

19. Due to affiliated companies:

Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Sinai Cement for Services	39,905,467	20,772,778
Total	**39,905,467**	**20,772,778**

20. Provisions:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Provision for end of service benefits	17,617,350	17,305,600
Provision for claims (Government Fees and taxes)	85,097,949	85,097,949
Total	**102,715,299**	**102,403,549**

The provision movements during the financial Year Ending 30/06/2026 represented as follows:

Details	Balance as of 1/1/2026	Formed provision	Balance as at 30/06/2026
Provision for end of service benefits	17,305,600	311,750	17,617,350
Claims provision	85,097,949	-	85,097,949
Total	**102,403,549**	**311,750**	**102,715,299**

- Claims Provision represents the expected claims from some parties concerning the company activity and the management reviews the provisions regularly and amends according to the agreements and progress with such parties.

21. Suppliers, Creditors and Notes Payable:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Suppliers	341,789,392	356,842,194
Creditors	2,826,811	2,863,309
Notes payable	22,630,510	24,522,640
Coupons payable and advances from customers	159,694,701	268,344,759
Total	**526,941,414**	**652,572,902**

22. Other Credit Accounts:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Accrued expenses	373,359,141	326,941,457
Sundry credit accounts	39,907,396	51,502,294
Corporate Tax	499,684,096	837,341,283
Third-party guarantees	271,104	365,184
Tax Authority- VAT	34,687,317	18,229,049
Total	**947,909,054**	**1,234,379,267**

23. Cost of sale:

- Detailed as follows:

Egyptian Pounds

Details	30/06/2026	30/06/2025
Raw materials, Supplies, fuel, power, packing sacks	1,897,680,730	1,792,427,035
Wages, Salaries	52,241,094	43,037,359
Resources Development fees (Clay)	51,852,420	54,094,782
Stationery and Prints Tools	15,476,577	9,180,567
Maintenance expenses	250,292,646	109,718,858
Public relations expenses, hospitality and reception	340,830	37,060
Travel and transportation	893,251	336,997
Governmental fees, stamps, mail, telephone& real estate tax	936,939	1,050,762
Insurance	18,486,124	16,097,085
Consultancy fees and studies	3,290,847	211,000
Transfer & loading expenses	7,603,935	3,164,237
Cleaning, security, guard, custom expenses, others, public relations expenses	8,803,485	5,575,077
Donations & Accommodation	133,636	95,143
Accommodation, operating expenses for service fees	146,805,235	93,222,270
Rents	58,835,873	43,391,364
Industrial Fixed assets depreciation	50,482,416	44,967,487
Amortization of intangible assets	9,511	9,511
Total	**2,564,165,549**	**2,216,553,357**
Add / Deduct:		
Change in inventory	(231,152,984)	(155,422,463)
Net	**2,333,012,565**	**2,061,130,894**

24. Selling & distribution Expenses:

- Detailed as follows: Egyptian Pounds

Details	30/06/2026	30/06/2025
Salaries &Wages	8,954,684	7,419,209
Transfer & loading expenses & Renting cars to transport cement	256,285,593	273,656,663
Maintenance expenses	6,595	26,221
Public relations expenses	1,462,434	1,658,795
Travel and transportation	960,112	236,298
Governmental fees, stamps, &telephone	253,091	415,713
Cleaning, gratuities and others	3,605	4,099
Export expenses and the right to use the quality mark	44,367,380	117,455,359
Rents	-	1,224,790
Donations & Accommodation	106,650	117,230
Electricity and Fuel	125,584	39,502
Packaging and Gifts	1,587,215	-
Stationery and printing	-	652,300
Accommodation	795,195	86,920
Consultancy fees and studies	16,650	-
Total	**314,924,788**	**402,993,099**

25. General & Administrative Expenses:

- Detailed as follows: Egyptian Pounds

Details	30/06/2026	30/06/2025
Salaries &Wages	61,026,893	49,278,498
Board of Directors Member salaries and allowances	3,827,045	5,528,264
Electricity, gas and fuel	842,329	805,474
Stationery and printings	1,026,745	191,871
Maintenance expenses	3,593,441	2,576,200
Advertising and public relations	1,677,188	3,812,004
Travel and transportation	2,728,000	2,930,311
Cleaning and other expenses	4,598,810	2,398,202
Accommodation	2,242,417	1,304,168
Technical assistance	66,425,593	31,174,465
Rents	4,787,978	3,803,103
Solidarity contribution	12,460,105	10,236,918
Governmental fees, stamps, mail, telephone, Insurance, Consultancy fees and studies and Others	2,940,427	15,677,631
Security and Guard Services	323,130	1,005,525
Penalties	-	10,000
Tax inspection variance	1,496,073	2,175,095
Non-Industrial depreciation	3,798,491	2,335,192
Intangible assets depreciation	11,665,100	11,665,100
Total	**185,459,765**	**146,908,021**

26. Earnings per share:

Egyptian Pounds

Details	30/06/2026	From 1/1/2025 To 21/4/2025	From 22/4/2025 To 30/6/2025
Net (Losses) for the year	1,550,982,692	327,695,435	438,155,085
Number of shares	260,812,477	133.065.867	260,812,477
Earnings (loss) per Share	**5.95**	**2.46**	**1.68**

27. Tax Status:

Company Details:

- Tax File number: 555 /5/ 10/267 / 00/ 00
- Tax Registration number: 205 - 001 - 548
- Tax Office: Tax authority large payers

FIRST: Corporate Income Tax:

- The company presents its tax returns in due time and the tax exemption has ended on 31/12/2011.

Years from start of operation year 1998 to Year 2012:

- The company was examined and the tax due on it was paid according to Form 9 reservation issued by the Tax Center for Major Financiers on 17/10/2019, and the estimates of the tax authority were challenged in some items and a lawsuit was filed before the Supreme Administrative Court, and a request was submitted to the Dispute Resolution Committee No. 49/2637.

Years from 2013 to 2014 :

- The company was examined and the examination resulted in some items of disagreement, and it was referred to the internal committees and then the specialized internal committees issued their decision, and the result was objected to and referred to the tax appeal committees, which issued its decision to reduce the tax bases concluded by the specialized internal committee, and thus the tax became payable and the tax authority linked the tax according to the decision of the appeal committee, The company has paid the tax due according to Form 9 reservation referred to above.
- It should be noted that the company has appealed this decision before the Administrative Court under lawsuit No. 5597 of 76 BC, D 26 taxes, and submitted a request to the Dispute Resolution Committee No 49/2210 at 4/12/2022.

Years from 2015 to 2019:

- These years were examined and the examination resulted that there were tax losses for these years, and tax variance due to article No (56), and these differences are being settled through the credit balance due to the company.

Years from 2020 to 2022:

- These years were examined and the examination resulted that there were tax losses for these years, and tax variance due to article No (56), and these differences are being settled through the credit balance due to the company.

Years 2023-2025:

- The company presents its tax returns in due time
- We are working on preparing for the examination for those years.

SECOND: Value Added Tax "VAT":

- The company submits tax returns on legal dates and pays the due on a regular basis.

Years from start of operation year 1998 to Year Nov 2020:

- The final settlement has been completed and there are no outstanding dues.

From 1 December 2020 to 31 December 2024:

- These years have been audited, and the resulting tax differences have been fully settled.
- **Year 2025**

- No audit request has been received from the Tax Authority.

THIRD: Withholding Tax:

- The company presents its tax forms at the due times and pays the tax due regularly.
- The company is regularly inspected for withholding taxes with no tax differences.

FOURTH: Stamp Tax:

From the beginning of operations up to the year 2022:

- Tax audits have been completed, and all resulting tax differences have been settled through the offsetting of the company's outstanding advance payments, in accordance with the latest Form 9 (withholding notice) issued by the Tax Authority.

Years 2023/2025:

- No audit request has been initiated by the Tax Authority to date.

FIFTH: Tax Salaries:

- The company presents its tax returns at the due times and pays the tax due regularly.

Years from start of operation to Year 2020:

- The tax differences were examined and settled according to the latest form 9 reservation issued by the tax authority.

Year from 2021 to 2022 :

- These years have been reviewed, and Form (38) for payroll was issued on 29/7/2024. Only the principal tax has been paid.

Years 2023 to 2025:

- The tax inspection has not been requested by the tax authority.
- The company withholds and pays payroll taxes monthly within the legal deadlines.
- The company is committed to submitting quarterly declarations and Form (6) within the legal deadlines.

SIXTH: Tax on dealings with related parties:

Years 2020

- The center of tax authority large payers was notified the company with a tax form payment (3/1) with tax center number 1804 on 22/2/2022 a fine was demanded amount 9,945,448 EGP from un completing the contents of the main and local file of tax settlement 2020, according to article number 30 of law number 91 for 2005 and articles 12/13 of law number 206 for the year 2020, that's in addition to 534,567 (other than delay charge), with a total fine amount EGP 10,480,015 till January 2022.
- The company has appealed to the legal deadline and completing these files as appropriate and presently to the tax authority.

Years 2021 to 2025:

- The company presents its tax forms at the due times and pays the tax due regularly.

SEVENTH: Development dues:

Year 2015:

- The company was audited and was assessed as tax differences amounting to EGP 909,975. The company filed an appeal within the legal deadline. The appeal was accepted in form; however, the Appeals Committee upheld the Tax Authority's position on the matter. Consequently, the company filed a lawsuit before the Administrative Court (State Council) contesting the committee's decision. As of the reporting date, a hearing has not yet been scheduled. The company has settled the assessed amount in full and submitted a tax dispute settlement request (Form No. 49/2424) on 25 December 2022.

Years 2016-2024:

- These years have been audited, and the resulting tax differences have been fully settled.

Year 2025:

- The company submitted its tax returns within the legally prescribed deadlines.
- The tax inspection has not been requested by the tax authority.

EIGHTH: Real Estate "Property" Tax:

- The company paid tax claims for real estate tax due to the administrative office in Cairo and for the plant in EL Arish - North Sinai Governorate.
- There is no dispute with the Real Estate Tax Authority.

NINTH: Cases filed by and against the company:

According to the company's legal counsel certificate, the legal opinion concluded that a provision of approximately EGP 1.353 million should be established for the lawsuits filed against the company, in respect of inventory shortages and surpluses.

28. Related Parties Transactions:

- Pursuant to the approval of the extraordinary general assembly on 9/7/1998 to authorize the company's Board of Directors to approve the existence of any contractual relations between the company and one of the founders or one of the members of the board of directors or any of the shareholders and accordingly the company has contracted with each of the following:
- Vicat company - Technical Assistance contract.
- Vicat Egypt Cement Company, A short-term loan.
- Sinai Cement Services Company is a subsidiary responsible for transporting bulk cement to customers.
- Reliance Logistics Company that supplies briquette and its logistic works.

The transactions with the related parties are carried out on the same bases the company deals with other parties, The total movement and balances of the above-mentioned accounts were as follows during the financial period ending 30 June 2026:

Egyptian Pounds

Details	Transaction during the Period	Balance as at 30/06/2025
VICAT (Technical assistance)	63,532,050	(56,292,299)
VECI Egypt Cement Company. (Other)	45,748	8,333,084
Baskon Yonetim Limited Sirketi	33,508,086	(6,466,038)
Vigier Management AG	12,378,939	(1,681,864)
Sinai Cement for Services Company	90,151,057	(39,905,467)
Reliance Logistics	240,050,576	(952,793)

29. Capital Commitments:

- The remaining outstanding shareholding in the capital of Industrial Free Zone Development Co. - East Port Said amounting to LE 34,672 representing 32%.
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30. Contingent Liabilities & Probable commitments:

- Contingent liabilities as of 30/06/2026 represent unsecured amounts of the letters of guarantee and letters of credit issued to third party as follows:

Details	Value
Letters of credit	-

31. Financial Instruments:

The financial instruments represent items with monetary nature which include cash at hand and in banks, debtors, notes receivables and some debit balances and due from affiliated companies. The financial liability includes bank facilities, creditors and credit balances and due to affiliated companies and They are the assets and liabilities of the company that will be received or paid in fixed or specified amounts of cash and include Note No.3 to the financial statements includes accounting policies adopted for the measurement and reporting of the major financial instruments and their related profit and loss.

31/1. Fair value of financial instruments:

- In accordance with the bases of valuation of the company's assets and liabilities as per Note No.2 the fair value of the financial assets and liabilities are not materially different from their book value at the date of the financial statements.

32. Risk Management

Introduction

- Risk is inherent in the company activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The major risks to which the company is exposed in conducting its business and operations, and the means and organizational structure it employs in seeking to manage them strategically in building shareholder value are outlined below.

32/1- Risk management structure

- The Board of Directors of the Company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles.

32/2- Excessive risk concentrations

- Concentrations arise when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry or geographical location.
- In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on country and counter party limits and maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

32/3- Credit risk

- Credit risk is the risk that one party of a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages credit risk by setting limits for individual counterparties, monitors credit exposures, and continually assesses the creditworthiness of counterparties, with the result that the Company's exposure to bad debts is not significant.
- Credit risk is the risk that one party will fail to discharge an obligation. Company credit risk is limited as the company trades with clients with good financial solvency.
- The Company trades only with recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis.
- With respect to credit risk arising from the financial assets of the Company, which comprise bank balances and short-term deposits, the Company's exposure to credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amount of bank balances, short term deposits and accounts receivable.
- The company updated the method of calculating the expected credit losses on its financial assets on 30/06/2026, in accordance with the requirements of Egyptian Accounting Standard No. (47) amended for the year 2019 - financial instruments, and the balances in the mentioned study were found to be consistent with the balances in the financial statements.

***Gross maximum exposure to credit risk:**

The table below shows the gross maximum exposure to credit risk across financial assets.

Egyptian Pounds

Details	30/06/2026	31/12/2025
Bank balances and short-term deposits	5,488,351,045	4,762,348,666
Accounts receivable and other assets	847,928,113	958,608,069
Total	**6,336,279,158**	**5,720,956,735**

***Credit related commitments**

Financial instruments with contractual amounts representing credit risk:

Egyptian Pounds

Details	30/06/2026	31/12/2025
Letters of credit	-	-
Total	**-**	**-**

32/4- Liquidity risk

- Liquidity risk is the risk that the Company will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.
- The Company's objective is to maintain a balance between continuity of funding and flexibility using bank deposits and loans.
- The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted repayment obligations. The liquidity profile of financial liabilities reflects the projected cash flow which includes future interest payments over the life of these financial liabilities.

Egyptian Pounds

Details	30/06/2026	31/12/2025
Creditors, Suppliers and Notes payable	526,941,414	652,572,902
Credit balances and other credit balances	947,909,054	1,234,379,267
Total	**1,474,850,468**	**1,886,952,169**

32/5- Market Risk

- Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.
- Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long- and short-term changes in fair value.

32/6- Interest rate risk

- Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. Interest rate risk is managed by the finance department of the Company. The company is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, loans and borrowings) as a result of mismatches of interest rate reprising of assets and liabilities. It is the Company's policy to manage its interest cost using a mix of fixed and variable rate debts. The Company's policy is to keep a substantial portion of its borrowings at variable rates of interest. The company is controlling the maturity dates of the monetary assets and liabilities with their related interest rate.

32/7- Equity price risk

- Equity price risk arises from changes in the fair values of investments. The Company manages this through diversification of investments in different sectors. All of the Company's investment shares are not quoted on the Stock Exchange.

32/8- Foreign currency risk

- Currency risk is the risk that the value of the financial instrument on monetary items will fluctuate due to changes in the foreign exchange rates that affect payments and receipts in foreign currencies in addition to valuation of assets and liabilities in foreign currencies. Accordingly, the company is facing the risk of fluctuation in exchange rates due to the non-existence of sufficient balances denominated in foreign currencies.
- As of 30/06/2026 there were liabilities denominated in foreign currencies amounting to US dollars 4,207,586 and Euro 1,237,689.
- Assets denominated in foreign currencies amounting to US dollar 102,558,904 and Euro 2,395,708. Assets & Liabilities have been revalued at the prevailing exchange rate at that date.

32/9- Capital Management

- The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, maximize shareholder value and remain within the quantitative loan covenants. The Company manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares The company's management, aims to ensure its continuity as a working entity and maintain an effective capital structure with the aim of developing business and maximizing the return to shareholders through optimizing the use of equity.
- On 14/3/2022, the extraordinary general assembly meeting of the company held on 25/6/2018 was approved, and the assembly agreed to increase the authorized capital from 1 billion Egyptian pounds to 2 billion Egyptian pounds, in order to accommodate the increase in the issued capital, as well as absorb any Future increases, and an increase in the issued capital from the amount of 680,584,430 Egyptian pounds to the amount of 1,330,658,670 Egyptian pounds, according to a cash increase of 650,074,240 Egyptian pounds distributed over the number of shares of 65,007,424 shares with a nominal value of 10 pounds per share as resulted from the subscription The year is for old shareholders during the period from 25/3/2018 to 23/4/2018 and the company's commercial registry has indicated that on 15/3/2022. Thus, the number of companies shares after the increase became 133,065,867 shares.
- On **22 April 2025**, the increase in paid-up capital was approved and registered in the commercial register. The paid-up capital has become **EGP 2,608,124,770** (two billion, six hundred eight million, one hundred twenty-four thousand, seven hundred seventy Egyptian Pounds), represented by **260,812,477 shares** (two hundred sixty million, eight hundred twelve thousand, four hundred seventy-seven shares) at a **par value of EGP 10** per share.

- The company's capital structure comprises shareholders' equity, which includes issued capital, reserves, accumulated losses, amounts paid under capital increase, and net loss for the period. As at **30 June 2026**, total shareholders' equity amounted to **EGP 7,571,321,427**
- Net profit for the period ended **30 June 2026** amounted to **EGP 1,550,982,692.**

33. Comparative figures: -

- Comparative figures are reclassified whenever necessary to keep pace with the changes in the presentation used in the current period, and no figures have been reclassified during the period.

34. Netting contracts:

- Based on the decision of the minutes of the Ordinary General Assembly held on 17/6/2021 and approved by the General Investment Authority on 13/2/2022, it was approved to authorize the members of the Board of Directors to sign the following contracts:
  - Contract with Reliance Logistics Company.
  - Contract with Vicat Egypt for the cement industry.

In addition, at the General Assembly Meeting held on 7 April 2026, the shareholders approved authorizing the Board of Directors to sign the following agreement:

  - Agreement with Vigier Management AG