

Misr Cement (Qena) Company (SAE)
Cairo - Egypt

Consolidated Interim Financial Statements
For The Period Ended September 30, 2024
And Limited Review Report

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Limited Review Report

To: The chairman and members of the board of directors of MISR CEMENT (QENA) COMPANY (S.A.E)
(Egyptian Joint Stock Company)

Introduction

We have performed a limited review for the accompanying consolidated interim financial statements of Misr Cement (Qena) Company (S.A.E) which comprise the consolidated interim financial position as of September 30, 2024 and the related consolidated interim statements of income, consolidated interim other comprehensive income, consolidated interim change of shareholders' equity and consolidated interim cash flows for the nine-month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

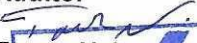
We conducted our limited review in accordance with the Egyptian Standard on Review Engagements 2410, "limited review of consolidated interim financial statements performed by the Independent Auditor of the entity". A limited review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for Financial and accounting matters in the company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects the consolidated interim financial position of Misr Cement (Qena) Company (S.A.E) as at September 30, 2024 and of financial performance and its cash flows for the nine-month then ended in accordance with the Egyptian accounting standards.

Cairo, 15 November 2024

Auditor


Tamer Nabarawy
Financial Regulatory Authority
Register Number (389)
Tamer Nabarawy & Co.
Public Accountants & Consultants
KRESTON EGYPT

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

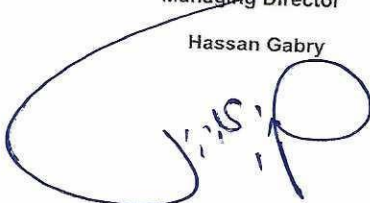
Translation of financial statements
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Assets	Notes	30 September 2024	31 December 2023
Non-current Assets		EGP	EGP
Fixed assets – Net			
Projects under construction	(5)	1 946 334 022	1 990 668 723
Assets right to use	(6)	110 597 814	82 040 387
Investments in associates	(7)	9 498 619	10 845 734
Goodwill	(8)	17 701 256	24 712 058
Intangible assets		481 159 424	481 159 424
Deferred tax assets	(10)	210 594 651	217 702 659
Total non-current assets	(18)	10 090 714	10 090 714
Current assets		2 785 976 500	2 817 219 699
Inventory			
Accounts receivable	(11)	1 290 387 545	1 427 856 610
Financial investments through profit or loss	(12)	96 703 367	90 516 190
Debtors and other debit balances	(9)	--	15 021 897
Assets held for sale	(13)	493 540 848	404 818 198
Cash on hand and at banks		1 618 400	1 618 400
Total current assets	(14)	641 722 197	140 489 252
Total assets		2 523 972 357	2 080 320 547
Equity		5 309 948 857	4 897 540 246
Issued & paid up capital			
Reserves	(15)	960 000 000	960 000 000
Retained earnings	(16)	218 721 873	214 931 399
Net profit for the period / year		254 876 585	224 729 923
Total equity (company's shareholders)		52 157 890	94 782 220
Non- controlling shareholders interests		1 485 756 348	1 494 443 542
Total equity	(17)	468 688 626	476 924 718
Non-current liabilities		1 954 444 974	1 971 368 260
Lease contract liability	(7)	31 708 761	29 683 106
Long term facilities	(20)	341 507 373	353 275 409
Deferred tax liabilities	(18)	323 581 962	324 033 856
Total non-current liabilities		696 798 096	706 992 371
Current liabilities			
Provisions	(19)	104 765 201	88 660 156
Credit facilities	(20)	562 234 891	653 731 860
Suppliers and notes payable		1 535 177 988	1 048 621 059
Receivables – advanced payments		203 213 944	114 811 038
Lease contract liability	(7)	2 618 927	3 329 801
Creditors and other credit balances	(21)	203 361 816	253 560 129
Income tax payable	(22)	47 333 020	56 465 572
Total current liabilities		2 658 705 787	2 219 179 615
Total liabilities		3 355 503 883	2 926 171 986
Total equity and liabilities		5 309 948 857	4 897 540 246

- The accompanying notes are an integral part of the consolidated financial statements.
- Limited review report attached.

Managing Director

Hassan Gabry



Group Chief Financial Officer

Moustafa Abd Elrazek



Financial Manager

Adel Attia Mohamed



Misr Cement (Qena) Company (S.A.E)
 Consolidated Interim Financial statements For The Period Ended September 30, 2024

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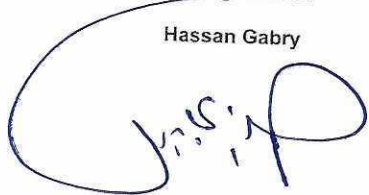
CONSOLIDATED INTERIM STATEMENT OF INCOME (Profit and Loss)

	Notes	First Nine Months		Second Three Months	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net Sales		EGP	EGP	EGP	EGP
(Less)		4 105 257 897	2 831 588 952	1 808 475 415	930 779 771
Cost of Sales					
Gross Profit	(23)	<u>(3 691 212 848)</u>	<u>(2 458 991 291)</u>	<u>(1 633 889 736)</u>	<u>(856 926 780)</u>
Selling and marketing expenses		414 045 049	372 597 661	174 585 679	73 852 991
General and administrative expenses	(24)	(29 140 223)	(30 682 197)	(10 636 942)	(9 391 198)
Other Revenues / (Expenses)	(25)	(140 354 868)	(147 241 104)	(54 237 783)	(46 999 050)
Other expenses	(26)	2 316 806	(863 066)	2 439 106	315 872
Provisions charged		(334 926)	55 116	(33 299)	93 178
Total		<u>(16 105 045)</u>	<u>(4 090 046)</u>	<u>(11 674 558)</u>	<u>(1 072 680)</u>
Net operating Income		<u>(183 618 256)</u>	<u>(182 821 297)</u>	<u>(74 143 476)</u>	<u>(57 053 878)</u>
Add/(Less)		<u>230 426 793</u>	<u>189 776 364</u>	<u>100 442 203</u>	<u>16 799 113</u>
Financial expenses					
Operating lease – Interest		(164 747 035)	(144 439 373)	(60 079 058)	(58 308 066)
Financing lease – Interest		(2 523 416)	(2 314 161)	(785 021)	(812 554)
Amortization assets right to use		(170 234)	–	(63 737)	–
Expected credit loss		(1 347 113)	(1 133 320)	(588 750)	(379 180)
Impairment of projects under instruction		(2 147 475)	(1 915 208)	(651 732)	(602 461)
Foreign currency exchange		–	(1 025 670)	–	–
Credit interest		13 186 700	557 431	(1 742 618)	(1 928 448)
Net profits/(losses) for the period before Income Taxes		<u>7 529 517</u>	<u>1 853 061</u>	<u>3 765 056</u>	<u>218 355</u>
Add/(Less)		<u>80 207 737</u>	<u>41 359 124</u>	<u>40 296 343</u>	<u>(45 013 241)</u>
Income Tax					
Deferred Tax	(22)	(29 620 195)	(20 217 586)	(6 519 203)	8 869 830
Net profits/(losses) after income taxes and before non-controlling shareholders' profits		<u>451 894</u>	<u>608 673</u>	<u>329 812</u>	<u>(5 789 060)</u>
51 039 436		<u>51 039 436</u>	<u>21 750 211</u>	<u>34 106 952</u>	<u>(41 932 471)</u>
Distributed as follow:-					
Controlling shareholders'		52 157 890	14 075 427	21 713 463	(29 672 384)
Non-controlling Shareholders' interest profits		(1 118 454)	7 674 784	12 393 489	(12 260 087)
51 039 436		<u>51 039 436</u>	<u>21 750 211</u>	<u>34 106 952</u>	<u>(41 932 471)</u>

- The accompanying notes are an integral part of the consolidated interim financial statements.

Managing Director

Hassan Gabry



Group Chief Financial Officer

Moustafa Abd Elrazek



Financial Manager

Adel Attia Mohamed



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CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	First Nine Months		Second Three Months	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net profits/(losses) for the period after taxes	EGP	EGP	EGP	EGP
Add :	51 039 436	21 750 211	34 106 952	(41 932 471)
Other comprehensive income	--	--	--	--
Comprehensive income/(loss) for the period	51 039 436	21 750 211	34 106 952	(41 932 471)
Distributed as follow :				
Controlling shareholders'	52 157 890	14 075 427	21 713 463	(29 672 384)
Non-controlling shareholders' interest profits	(1 118 454)	7 674 784	12 393 489	(12 260 087)
	51 039 436	21 750 211	34 106 952	(41 932 471)

- The accompanying notes are an integral part of the consolidated interim financial statements.

Managing Director

Hassan Gabry



Group Chief Financial Officer

Moustafa Abd Elrazek



Financial Manager

Adel Attia Mohamed



Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2024

CONSOLIDATED INTERIM STATEMENT OF CHANGE IN EQUITY

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Controlling shareholder's interests

	September 30, 2023		September 30, 2024		Total EGP	Non- controlling shareholders interest EGP	Total Equity EGP
	Issued & Paid up Capital EGP	Reserves EGP	Retained earnings EGP	Net Profit for the period EGP			
Balance as of January 1, 2023	720 000 000	210 929 335	449 371 077	97 044 053	1 477 344 465	471 400 581	1 948 745 046
Transferred to retained earnings	--	--	97 044 053	(97 044 053)	--	--	--
Transferred to reserves	--	4 002 064	(4 002 064)	--	--	--	--
Dividends distribution	--	--	(70 656 449)	--	(70 656 449)	(14 846 987)	(85 503 436)
Total comprehensive income for the period	--	--	471 756 617	14 075 427	14 075 427	7 674 784	21 750 211
Balance as of September 30, 2023	720 000 000	214 931 399	471 756 617	14 075 427	1 420 763 443	464 228 378	1 884 991 821
Balance as of January 1, 2024	960 000 000	214 931 399	224 729 923	94 782 220	1 494 443 542	476 924 718	1 971 368 260
Transferred to retained earnings	--	--	94 782 220	(94 782 220)	--	--	--
Transferred to reserves	--	3 790 474	(3 790 474)	--	--	--	--
Dividends distribution	--	--	(60 845 084)	--	(60 845 084)	(7 117 638)	(67 962 722)
Total comprehensive income for the period	--	--	254 876 585	52 157 890	52 157 890	(1 118 454)	51 039 436
Balance as of September 30, 2024	960 000 000	218 721 873	254 876 585	52 157 890	1 485 756 348	468 688 626	1 954 444 974

-The accompanying notes are an integral part of the consolidated interim financial statements.

Managing Director
Hassan Gabry



Group Chief Financial Officer
Moustafa Abd Elrazek



Financial Manager
Adel Attia Mohamed



CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

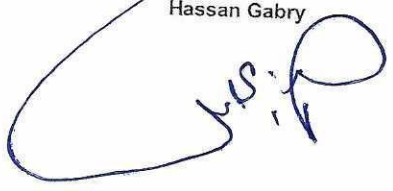
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	Notes	30 September 2024	30 September 2023
		EGP	EGP
Cash Flows From Operating Activities			
Net Profits before income taxes			
Adjustments to reconcile net profit to cash flows		80 207 737	41 359 124
Depreciation and amortization			
Amortization of assets right to use	(23,24,25)	97 346 526	111 692 575
Foreign currency exchange		8 512 622	1 133 320
Operating leasing Interest		(13 186 700)	(557 431)
Expected credit loss		2 693 650	2 314 161
Impairment of projects under construction		2 147 475	1 915 208
Provisions charged		--	1 025 670
Financial expenses		16 105 045	4 090 046
Credit interests		164 747 035	144 439 373
		(7 529 517)	(1 853 061)
Net operating profits		351 043 873	305 558 985
Change in inventory			
Change in accounts receivables	(11)	137 469 065	(149 799 464)
Change in debtors and other debit balances	(12)	(6 884 460)	(60 815 656)
Change in receivables – advance payments	(13)	(90 172 842)	(296 114 689)
Change in suppliers		88 402 906	122 724 611
Change in creditors and other credit balances		486 556 929	122 415 654
Payment for lease contract liability		(78 810 795)	33 814 380
	(21)	(1 378 869)	(2 007 102)
Cash flows from operating activities		886 225 807	75 776 719
Paid Income taxes	(22)	(38 752 747)	(32 550 589)
Provisions used		--	(449 651)
Net cash provided by operating activities		847 473 060	42 776 479
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects	(5)	(81 569 252)	(134 078 724)
(Payments) for purchase of intangible assets		(57 500)	--
(Payments) in projects		--	(6 963 503)
Proceeds in investments designated at fair value through profit or loss		15 021 897	--
Dividends from Investments in associates		7 010 802	3 373 325
Collected Credit interest		7 529 517	1 910 192
Change in Time deposits (maturing after three months)	(14)	52 937 933	1 162 000
Net cash provided by / (used in) investing activities		873 397	(134 596 710)
Cash flows from financing activities			
Change in credit facilities		(103 265 005)	419 445 050
Paid debit interests		(171 725 573)	(145 620 986)
Change in loans		--	(187 996 183)
Paid dividends distribution		(32 371 703)	(36 723 112)
Net cash flow (used in) / provided by financing activities		(307 362 281)	49 104 769
Net changes in cash and cash equivalents		540 984 176	(42 715 462)
Foreign currency exchange		13 186 702	557 431
Cash and cash equivalent – beginning of the period		86 500 732	148 132 228
Cash and cash equivalent – end of the period		640 671 610	105 974 197
For the purpose of preparing a statement of cash flows cash and cash equivalents are represented in the following:			
Cash and cash equivalent		641 722 197	106 163 197
Time deposits - maturing after three months		(1 050 587)	(189 000)
Cash And Cash Equivalent – End of the period	(14)	640 671 610	105 974 197

- The accompanying notes are an integral part of the consolidated financial statements

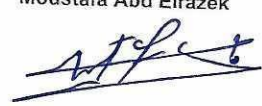
Managing Director

Hassan Gabry



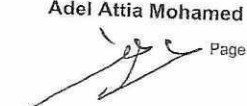
Group Chief Financial Officer

Moustafa Abd Elrazek



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Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2024

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1. About the Company

Misr Cement (Qena) Company (S.A.E)

1.1. Company's Background

- MISR CEMENT CO, (QENA) COMPANY (S.A.E) was established under the provisions of Law No, 159 of 1981 and its executive regulations, The company was registered in commercial registry under No, 45832 Qena in May 25, 1997, the initial contract and the statute of the company was published in companies document issue No, 2096 in November, 1997.

1.2. Company's purpose

- The production of Cement in its different forms and other by products ,the production and trading of other construction materials and construction supplies, So in order to attain its purpose the company may import the necessary equipment ,The company may participate in any ways with other companies in conducting similar activities which may help in achieving its purpose in Egypt or abroad, And it also may merge with previously stated bodies or acquire them in accordance with the provision of laws and its executive regulations.
- MISR CEMENT CO, (QENA) COMPANY (S.A.E) assigned the technical management, operation and maintenance of the factory, as well as business consulting for the operation of the quarry to the Arab Swiss Engineering "ASIC".
- MISR CEMENT CO, (QENA) COMPANY (S.A.E) assigned operation and supply of raw materials, as well as the work of cutting and indexing of limestone quarry to ASEC Company for Mining " ASCOM".
- Begging from JULY, 2022, the business was assigned to QENA management and maintenance company.

1.3. The Company's Location

- The head office is located in the city of Qeft in Qena Governorate.
- Based on the decision of the Extraordinary General Assembly held on March 30, 2022, the company's head office was changed to be: 22 Anwar Al-Mufti Street - Tiba Project 2000 - Nasr City- Cairo. The entry was made in the commercial register on May 12, 2022.

1.4. The company duration

- The duration of the company is 25 years starting from the date of the registration in the commercial register.
- Based on the decision of the Extraordinary General Assembly held on March 30, 2022, the duration of the company was set to start from May 24, 2022 and end on May 23, 2047 according to the record in the Commercial Register. The entry was made in the commercial register on May 12, 2022.

1.5. Financial year

- The company begins from 1 January and ends at the end of December of each year.
- The company is registered on both Cairo and Alexandria Exchange Market.

1.6. Approval of the financial statements

- The consolidated Financial Statements of the Company for the period ended September 30, 2024 were authorized for issuance in accordance with a resolution of the board of directors on November 13, 2024.

Background for the subsidy companies owned by MISR CEMENT COMPANY (QENA) (S.A.E)

Following is a background on the subsidiary companies owned by Misr Cement Company including the direct and indirect percentage of ownership for Misr Cement Company in the subsidiaries as follows:

	Investment nature	30 September 2024	31 December 2018	1 November 2015
		%	%	%
MISR CEMENT BETON (Previously ASECO READY MIX) (S.A.E)	Direct	99.9	99.9	45
MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT) (S.A.E)	Direct	60.36	60.36	13.88
QENA FOR MAINTENANCE (S.A.E)	Direct	47.51	--	--
	Indirect	33.66		

Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2024

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1. About the Company (follow)

1.6. Approval of the Financial Statements (follow)

Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX)

- ASECO READY MIX (S.A.E) was established in Egypt under Law No. 8 of 1997 and its executive regulations. The company was registered in commercial registry under No.41747 Cairo at 20 October 2009.
- On 26 March 2016 the extraordinary general assembly meeting decided to relocate the company's head office to 22 street Anwar Mofly – Tiba 2000 – Nasr city – Cairo and the management taken process to change in commercial registry dated on December 6, 2016.
- The duration of the company is 25 years starting from the date of the registration in the commercial register.
- The purpose of the company is to establish and operate factory to produce the Cement and concrete products.
- Based on the decision of the Extraordinary General Assembly held on November 11, 2018, the name of the company, ASECO READY MIX, has been amended, and this was indicated in the Commercial Registry on January 21, 2019.
- The percentage of ownership for MISR CEMENT COMPANY (S.A.E) Company in ASECO READY MIX (S.A.E) is 45%.
- In 1 November 2015, MISR CEMENT COMPANY (S.A.E) acquired ASECO READY MIX by purchasing 208 998 shares in which represents 54.9%, resulting in goodwill amounts to EGP 42,984,816 represents the difference in the investment cost amounts to EGP 70,631,716 54.9% from the ASECO FOR CEMENT COMPANY's total net assets in the acquisition date amounts to EGP 27,646,900.
- The goodwill was recorded under the long-term assets in the consolidated Financial Statements and the goodwill is tested for impairment regularly and in the case of impairment the losses will be allocated in the consolidated statement of profits and losses.
- As so, the percentage of ownership for MISR CEMENT COMPANY (S.A.E) in ASECO READY MIX COMPANY (S.A.E) became 99.9%.
- Based on the decision of the Extraordinary General Assembly held on October 24, 2021, the name of the company was modified to become Misr Cement - Beton, and this was noted in the commercial registry on November 3, 2021.

MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT) (S.A.E)

- ARAB NATIONAL COMPANY FOR CEMENT (S.A.E) was established according to Law No. 8 of 1997 and its executive regulations number 669 for the year 2006. The Company was registered in commercial registry under No. 19045 Cairo on 1 September, 2006.
- On 22 March 2016 the extraordinary general assembly meeting decided to relocate the company's head office to 22 street Anwar Mofly – Tiba 2000 – Nasr city – Cairo and the management taken process to change in Commercial registry is pending.
- The purpose for the company is to establish and operate factory to produce all types of cement and use the quarry's materials and produce construction materials, also manufacturing the necessary packages for the company's products.
- In 30 December 2012 the extraordinary general assembly meeting decided to change the company's name to be Minya Portland Cement instead of ARAB NATIONAL COMPANY FOR CEMENT (S.A.E) and the name was changed in the company's journal and the commercial register in 2 October 2013.
- Based on the decision of the extraordinary general assembly meeting dated on November 22, 2020 the company's name changed to Minya Portland cement (S.A.E) and the company was registered in commercial registry under No.10253 dated on 4 March ,2019.
- The percentage of ownership for Misr Cement company (S.A.E) in PORTLAND EL Company (S.A.E) amounts to 13.88%.

1. About the Company (follow)

1.6. Approval of the Financial Statements (follow)

MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT) (S.A.E) (Follow)

- In 1 November 2015 Misr Cement Company (S.A.E) acquired 44 872 676 shares in Misr Cement - Beton (S.A.E) (Previously ASECO Company) (S.A.E) which represents 46.48% from the total shares for the company, resulted in a goodwill balance amounts to EGP 438,174,608 which represents the difference between the investment cost amounts to EGP 932,844,955 and 46.48% of the total net assets for PORTLAND COMPANY (S.A.E) in the acquisition date amounts to EGP 494,670,347.
- The goodwill balance was recorded in the consolidated Financial Statements in the non- current assets section and it is tested for impairment in the consolidated Financial Statements regularly and in the case of loss in the goodwill it is recorded in the consolidated financial statements.
- As so the percentage of ownership for Misr Cement Company (S.A.E) in Minya Portland Cement (S.A.E) became to 60.36%.

2. Basis for financial statement 's preparation

2.1 Basis of consolidating the financial statements

- The consolidated Financial Statements are prepared by consolidating the Financial Statements of the Holding Company and its subsidiaries through collecting similar items of assets, liabilities, equity, revenue and expenses.
- Investment in subsidiaries was eliminated from holding company for consolidated purpose.
- Unrealized intercompany transactions are eliminated for consolidated purpose.
- Non-Controlling shareholders in net assets and net income of subsidiaries controlled by the parent company is recorded in a separate account within the Equity in the consolidated Financial Statements and is calculated by their share in the book value of net assets of subsidiaries.

The acquisition cost was distributed as follows:

1. The fair value of assets and liabilities in the acquisition date of investment and within the limits of the share of the parent company that was acquired on that date
2. The increase in the acquisition cost over the parent company share in equity of the subsidiaries companies are recognized as goodwill.

2.2 Following Polices and regulations

- The consolidated Financial Statements are prepared according to the Egyptian accounting policies and regulations.

2.3 The presented and disclosed currency

The Financial Statements are presented in the Egyptian pound which is the same currency of transactions and the main and significant activities in the company.

2.4 Basis of measurement

The Financial Statements are prepared accorded to the historical cost principle

3. Significant accounting estimates and personal judgments

3.1 The significant estimates and assumptions

The preparation of Financial Statements according to the Egyptian accounting standards requires that management uses personal judgments and making estimates and assumptions that can affect the application of policies and the values of assets and liabilities also revenues and expenses. The estimates and assumptions are evaluated based on past experience and some other factors including the expected future events that fit these circumstances.

These estimates and assumptions are reviewed annually and any differences in the accounting estimates are recognized in the year in which these estimates are changed, and if these differences affect the year in which these changes are made and future years, these differences are recorded in the year in which the adjustments are made and the future years. The most significant estimates and assumptions the company uses are as follows:

3. Significant accounting estimates and personal judgments (Follow)

3.1 The significant estimates and assumptions (Follow)

a. Income tax

The Company is subjected to corporate income tax. The Company estimates the income tax provision by using expert's advice. In case of any difference between any of the final and preliminary results, these differences will affect the income tax and deferred income tax provision in these years.

b. Expected credit loss of debtors

The evaluation in the value of receivables is made through debt aging. The Company management is studying the credit position and the ability of payments of the customers who their numerous debts are due during the credit limit granted to them and the impairment is recorded with the value of the due amounts on the customers who the Company management indicate that their credit position do not allow them to pay their liabilities.

c. Useful lives of fixed assets

The estimated useful life is depending on estimation and personal judgment based on the experience of the Company with similar fixed assets taking into consideration the estimated usage of the asset and number of working shifts and technical limitations. Residual values and useful lives of assets are reviewed on annual basis.

d. Impairment of Inventory

The company's management reduces the obsolete and low turn-over inventory into its net ordinary value based on special reports about its usage and future benefits.

3.2 Significant personal judgments in applying the company's accounting policies

Applied accounting policies do not require from management is personal judgment which may have a significant impact on the value recognized in the financial statements.

3.3 Fair value measurement

- a. The fair value of financial instruments is identified according to the market value of the financial instruments or similar financial instruments on the date of the financial statements. The value of the financial assets is identified by their replacement cost, while the value of the financial liabilities is identified by the current prices that can settle these liabilities.
- b. In case there is no active market to determine the fair value of the financial instruments the fair value is estimated using different valuation methods taking in consideration the prices of recent transactions and using the current fair value of other significantly similar Instruments-Deducted cash flow method- or any other evaluation method results in values on which we can depend.
- c. When using the deducted cash flow method as a method of evaluation the future cash flow is estimated based on the best estimates by management. And the used deduction rate is identified based on the prevailing price in the market in the date of the Financial Statements of instruments similar in nature and conditions.

4. Significant accounting policies

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

4.1 Foreign currencies translation

Transaction in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the balance sheet date, all differences are recognized in the statement of income.

Non – monetary items that are major are historical cost in foreign currencies are translated using the exchange rate prevailing at the date of the initial recognition.

4. Significant accounting policies (Follow)

4.2 Fixed assets and its Depreciation

a. The first recognition and initial measurement

Fixed assets are stated at the historical cost after deducting accumulated depreciation and accumulated impairment losses.

b. Subsequent Cost

Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when major improvements are performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied, all other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

c. Depreciation

Depreciation is determined based on the fixed assets less salvage value as residual value at the end of estimated useful life.

The Salvage value of asset is the net amount currently expected to be obtained as a result of Disposal, if it is in the expected condition at the end of its useful life.

The depreciation amount is carried on the income statement according to the straight line method by the useful life estimated to each kind of fixed assets except land that not depreciated, the depreciation of fixed assets is depreciated according to the following rates:

Assets	Depreciation rate
Buildings, constructions and facilities	5% - 6.6%
Machinery and equipment	5% - 10%
Motor vehicles	20%
Tools	10%
Furniture, fixtures and office equipment	10% - 50%
Rental improvements	The duration of the contract or the useful life, whichever is less

4.3 Projects under construction

Projects under construction represent the amounts that are incurred for constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets.

4.4 Intangible assets

- Intangible assets are started at the historical cost and the historical cost deducts of accumulated amortization and accumulated impairment losses.
- Intangible assets with definite useful lives are amortized over the economic life of the asset and a measurement test is conducted when there is an indication of the asset's impairment. The amortization method for an intangible asset with a definite life are reviewed at least at the end of each year.

4.5 Financial Lease: Assets

The original (right to use) asset and a commitment to lease contracts are recognized at the start date of the lease, whereby the lease contract commitment is measured at the present value of unpaid rental payments on that date, discounted using the interest rate on the additional borrowing of the company, and results in financing expenses in accordance with Accounting Standard No. (49) for the year 2019.

4.6 Leased contracts

The Group has applied EAS 49 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under EAS 20. The details of accounting policies under EAS 20 are disclosed separately.

4. Significant accounting policies (Follow)

a. Policy applicable from 1 January 2021

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49. This policy is applied to contract entered in to, or after Jan 1, 2021.

b. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component right of use asset.

c. Right of use asset

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

d. Amortization of right of use asset

Amortization of right of use asset The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

e. Lease contracts liability

The lease liability lease contract liability is initially measured at the present value of the lease payments that are not paid at the commencement date Discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

4. Significant accounting policies (Follow)

4.7 Investments in associates

Associate companies are those that the company has, directly or indirectly, influential influence over it, but it does not reach the extent of control or joint control, as the company ownership stakes ranging from 20% to 50% of the voting rights in sister companies.

The purchase method (acquisition cost) is used in accounting for the acquisition of associate companies, and the goodwill resulting from the purchase of sister companies - if any - does not appear separately, but is included in the book value of the investment in associate companies after acquisition in the consolidated financial statements of the company using the equity method.

According to the equity method, the initial recognition of the investment in the associate companies is carried out in the statement of financial position of the compound at cost. An adjustment is then made to recognize the group's share of the profits and losses and other changes in the net assets of the associate companies.

4.8 Investments at fair value through other comprehensive income

Financial investments are carried at fair value through comprehensive income at cost on the date of acquisition. Investments listed on the stock exchange are valued at fair value (market value). As for investments that are not listed on the Stock Exchange, they are valued at the calculated value - based on the studies related to this matter - The resulting differences are recorded as a special reserve - Differences in evaluating available-for-sale financial investments within shareholders' equity. When the investment is sold, its share in the special reserve is added to the income statement.

For fair investments that are inactive (having no market value in an active market) and whose fair value cannot be determined with sufficient confidence, These investments are recorded at the cost of their acquisition, and in the event of a decrease in the value of these investments (impairment), the book value is adjusted by the value of this decrease and charged to the income statement for each investment separately.

4.9 Inventory

The Inventory elements are valued as follows:

- a. Raw materials, gasoline, diesel fuel, packaging and spare parts: at the lower of cost (using the weighted average method) or net realizable value.
- b. Work in progress: at the lower of the cost of production based on the cost sheets or net realizable value.
- c. Finished goods: at the lower of the cost of production based on the cost sheets 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 the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories, shall be recognized in cost of sales in the statement of Income statement in the year the write down or loss occurs, the amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognized as reduction of cost of sales in the statement of Income statement in the year in which the reversal occurs.

4.10 Revenue

A. Sales

Revenue from sale is recognized at the fair value after deducting returns, commercial and quantity discounts. The revenues are recognized at the transfer of risks and returns of goods to the purchaser and at the presence of enough expectation about the flow of economic benefits in the sale transaction and in case of the company didn't hold the right of continuous managerial interference on goods to the purchaser at the receipt of goods, and in case of exporting the risks and returns of sold goods ownerships are identified based on the freight conditions as the revenue usually recognized when the goods are loaded on the truck.

4. Significant accounting policies (Follow)

4.10 Revenue (followed)

- Sale of goods (Local)

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

- Sale of goods (Export)

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods according to contract terms.

B. Distributed dividends

Revenue is recognized when the company's right to receive the payment is established.

C. Interest income

Revenue is recognized as interest incurred using the effective interest method.

4.11 Expected Credit Loss

- The company has two types of financial assets that are subject to the expected credit losses model according to this methodology:
 - a. Customer balances and notes receivables generated from services to customers
 - b. Contract principles related to the company's contracts with customers
 - The company applies the simplified approach to the impairment of financial assets in accordance with the Egyptian Accounting Standard No. (47) Financial Instruments in order to measure expected credit losses, which uses a provision for expected credit losses over the life time of all customer balances and contract assets with customers
 - To calculate the ECL, we depended on the customer and contract assets with customers' balances as a group based on common credit risk characteristics and the number of days past due.
 - Where the assets of the contract with the customer relate to the work in progress that has not been invoiced and has the same risk characteristics as customer balances for the same types of contracts Accordingly, the company concluded that the expected credit loss rates for customer balances are a reasonable approximation of the expected credit loss rates for the assets of contracts with customers.
 - ECL rates depended on analyzes of sales payments over the 36 months before December 31, 2021 and the corresponding historical credit losses incurred during this period.
 - The default rate calculated through this approach and used to calculate ECL is the company's historical default rates for each level of number of days past due by the company's customers, which is depended on sales payment analyzes over the 36 months before December 31 2021 and the corresponding historical credit losses that have been incurred during this period
 - In order to determine losses related to customer balances, notes receivables, and contract assets, the minimum allowable loss in case of failure (Loss Given Default) for each balance at risk is 100% due to the lack of any guarantee with the company.
 - The amount that the debtor owes to the company at the time of the failure to pay is known as the balance exposed to failure (Exposure at Default), and the clearing is recognized in the statement of financial position between the balance of the debiting customer and the balance of the same crediting customer, the balance exposed to failure is determined as the unpaid balance on the date of the report, including any interest accrued till the date of the report.
 - Egyptian Accounting Standard No. (47) Requires that the purpose of estimating ECL is not a worst-case scenario or a best-case scenario estimate. Instead, the ECL estimate should always reflect the probability that credit losses will occur, even if the most likely outcome is no credit losses. Therefore, the company applies macroeconomic scenarios to expected credit losses, where historical loss rates are adjusted to reflect current and future information about macroeconomic factors that affect the ability of customers to settle outstanding debt balances. The company has determined that the gross domestic product and the current account balance as a percentage of the gross domestic product and the annual change in the rate of inflation "average consumer prices" in the Arab Republic of Egypt, which is the country are sale the goods and the services so these indicators are the most relevant factors and thus adjust the loss rates historical based on expected changes in these factors.

4. Significant accounting policies (follow)

4.11 Expected Credit Loss (follow)

- The applying of the Egyptian Accounting Standard No. 47 "Financial Instruments" from January 1, 2021 led to changes in the accounting policies, which are resulted to amendments are recognized in the financial statements as on December 31, 2020. Where there is an impact on the opening balance of the retained earnings on January 1 2021 amount to EGP 16 487 597.

4.12 Provisions

A provision is recognized in the balance sheet when the Company has a present or legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at the date of preparing the Financial Statements and adjusted when necessary to show its best estimate.

4.13 Taxes

A. Income Tax

Income tax is a tax on the Company's profit and is calculated according to the relevant laws, regulations, and instructions that are currently being implemented in this regard while using the prevailing income tax at the date of preparing the balance sheet. The tax on income should be reflected in income statement.

B. Deferred taxes

Deferred tax occurs to reflect the existence of some temporary differences due to the difference in time frames when the current value of assets and liabilities are recognized between the prevailing taxation principles and accounting principles that are adhered to when preparing the financial statement. The deferred tax is determined according to the prevailing method used to settle the present value of assets and liabilities. It should be taken into account that the deferred tax maybe considered an asset of the company if there is a possibility that it may be used to reduce the accrued tax profits of the company for future years, and the amount of the deferred tax considered as an asset of the company is reduced by the amount that may not be off-set against future taxes.

4.14 Receivables, notes receivable, debtors and other debit balances and suppliers' advanced payment

Receivables, notes receivable, debtors and other debit balances and suppliers' advanced payments are stated at the original invoice amount net of any impairment losses that is expected not to be collected by the company.

4.15 Related party transactions

Transactions with related parties are recorded in the same way as its normal operations according to the conditions stated by the company's management and on the same basis as transactions with others.

4.16 Treasury shares

Treasury shares are initially measured at cost value and are deducted from the equity in balance sheet.

4.17 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year are transferred to the legal reserve until this reserve reaches 50% of the issued capital, when the reserve falls below that limit the company should start deducting it again.

4.18 General reserve

The general reserve is formed from the company's profit in the previous year's according to the general assembly meeting resolution; This reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors and the interest of company.

4. significant accounting policies (follow)

4.19 Capital reserve

The capital reserve is formed by the amount of capital gains and the fixed assets endowed to the company.

4.20 Borrowing

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

After initial recognition, 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.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the income statement.

4.21 Expenses

All expenses including cost of sales, selling and marketing expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

4.22 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the year in which they are incurred. The borrowings costs are represented in interest and other finance costs that company pay to obtain the funds.

4.23 Pension plan for employees

The company pays its share in the social security according to social security law No, 79 for the year 1975 and its amendments, and its included in salaries and wages account in the income statement on accrual basis.

4.24 The Contingents Liabilities and Commitments

Contingent liabilities of which the company is part of as well as off-balance sheet commitments which don't represent actual assets or liabilities at the date of financial statements.

4.25 Dividends

Dividends are recognized as an obligation in the year which the declarations of distributions are made.

4.26 Cash Flow Statement

The cash flow statement is prepared according to the indirect method.

4.27 Cash and cash equivalent

Cash and cash equivalents include cash on hand and at banks, time deposits accrued within three months and deducting from it time deposits accrued after three months and letter of grantees cover also the current bank accounts (credit balances).

4.28 Comparative Figures

The comparative figures were reclassified to comply with current figures.

4.29 Earnings per share

The company presented the data related to the basic share of its regular shares. Earnings per share is calculated by dividing the company's profits on the number of ordinary shares of the company by the weighted average of the number of shares during the year.

4. significant accounting policies (follow)

4.30 Capital management

- The Board of Director's policy is to always maintain a strong capital base to maintain investor, creditors and market confidence and to sustain future development of the business.
- The board of directors aims to make a balance between the highest interest rates available with reasonable terms and conditions to maintain a healthy capital structure.

4.31 Fair value of financial instruments

The financial instruments are represented in the company's financial assets and liabilities and the financial assets include the account receivables, notes receivables and other debt balances and cash on hand and at bank also the financial liabilities include customers advanced payments, contractors, accounts and notes payable and other credit balances.

According to the basis of evaluation followed in evaluating the company's assets and liabilities which is present in the disclosure footnotes of the financial statements, the fair value of the financial instruments doesn't differ significantly from its book value at the date of the preparation of the financial statements.

4.32 Financial instruments and risk management related

The company's financial instruments are balances of bank accounts, cash in hand, Receivables & Notes Receivables, Debtors & other debit balances, creditors and other credit balances. The following shows the risks related to the financial instruments and the procedures continued by the company to minimize the effect of such risks:

A. Credit risk

This risk is represented in the disability of clients to pay their outstanding liabilities, this risk is considered limited as the clients have a solid credit history.

B. Liquidity risk

The liquidity risk is represented by factors that impact the repayment of amount or all of the company's commitment according to the company's policy the suitable policies are taken to decrease the risk level to the minimum.

C. Interest rate risk

Interest rate risk is represented in the change in value of financial instrument due to the fluctuation of the market interest rates. This risk is considered limited as the company depends on its own resources in financing its financial needs to pay its current obligations and finance the fixed assets.

D. Foreign currency risk

The foreign currency risk is the fluctuation of currency exchange rates since that affect the company's open receivables and payables balance in foreign currency also asset and liability evaluation in foreign currency and this is considered a limited risk.

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5. Fixed assets

September 30, 2024	Land	Buildings & Constructions	Machinery & Equipment	Motor Vehicles	Tools	Furniture, Fixtures & computers	Enhancements of Rental Places	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost at January 1, 2024	7 543 974	1 043 979 408	2 467 626 931	139 929 766	30 728 437	50 106 056	3 173 438	3 743 088 010
Additions during the period	--	2 477 925	27 987 196	2 799 780	7 781 324	11 587 800	377 800	53 011 825
Cost at September 30, 2024	7 543 974	1 046 457 333	2 495 614 127	142 729 546	38 509 761	61 693 856	3 551 238	3 796 099 835
Accumulated Depreciation at January 1, 2024	--	390 267 870	1 218 221 623	92 820 914	13 500 992	35 453 765	2 154 123	1 752 419 287
Depreciation for the period	--	21 011 757	56 815 178	8 883 154	4 818 540	5 563 655	254 242	97 346 526
Accumulated Depreciation at September 30, 2024	--	411 279 627	1 275 036 801	101 704 068	18 319 532	41 017 420	2 408 365	1 849 765 813
Net book value at September 30, 2024	7 543 974	635 177 706	1 220 577 326	41 025 478	20 190 229	20 676 436	1 142 873	1 946 334 022

This balance includes the recording of assets that fully depreciated and still used which is reprehensive in: -

Depreciated asset that still used	Building & Constructions	Machinery & Equipment	Motor Vehicles	Tools	Furniture, Fixtures & computers	Leasehold improvements	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
	28 850 414	635 818 897	16 822 257	5 926 499	29 956 584	1 889 325	719 063 976

There is a commercial mortgage over fixed assets of Misr Cement Company (Qena) as collateral against the longterm loan.
There is a commercial mortgage over all the existing, new tangible and intangible fixed assets of MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT COMPANY) as collateral against the long-term loan.

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5. Fixed assets (follow)

December 31 , 2023	Land		Buildings & Constructions		Machinery & Equipment		Motor Vehicles		Tools		Furniture, Fixtures & computers		Enhancements of Rental Places		Total	
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP	
Cost at January 1 , 2023	7 543 974		1 036 868 599		2 375 045 466		124 372 235		16 089 664		39 163 939		2 796 081		3 601 879 958	
Additions during the year	--		7 110 809		92 581 465		15 557 531		14 638 773		10 942 117		377 357		141 208 052	
Cost at December 31 , 2023	7 543 974		1 043 979 408		2 467 626 931		139 929 766		30 728 437		50 106 056		3 173 438		3 743 088 010	
Accumulated Depreciation at January 1 , 2023	--		357 493 741		1 123 393 362		81 588 021		9 610 829		30 434 714		1 876 577		1 604 397 244	
Depreciation for the year	--		32 774 129		94 828 261		11 232 893		3 890 163		5 019 051		277 546		148 022 043	
Accumulated Depreciation at December 31 , 2023	--		390 267 870		1 218 221 623		92 820 914		13 500 992		35 453 765		2 154 123		1 752 419 287	
Net book value at December 31 , 2023	7 543 974		653 711 538		1 249 405 308		47 108 852		17 227 445		14 652 291		1 019 315		1 990 668 723	

This balance includes the recording of assets that fully depreciated and still used which is comprehensive in.

Depreciated asset that still used	Buildings & Constructions		Machinery & Equipment		Motor Vehicles		Tools		Furniture, Fixtures & computers		Leasehold improvements		Total	
	EGP		EGP		EGP		EGP		EGP		EGP		EGP	
	24 367 524		64 444 593		16 500 296		4 675 776		22 845 558		1 689 325		134 523 072	

There is a commercial mortgage over fixed assets of Misr Cement Company (Qena) as collateral against the longterm loan.
There is a commercial mortgage over all the existing, new tangible and intangible fixed assets of MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT COMPANY) as collateral against the long-term loan.

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6. Projects under construction

	30 September 2024	31 December 2023
	EGP	
Buildings and constructions	98 140 573	72 812 607
Machinery and equipment	--	1 051 777
Advanced payments	1 330 539	1 330 539
Information Systems	12 152 372	7 871 134
	111 623 484	83 066 057
(Less)		
Impairment for value of projects under constructions	(1 025 670)	(1 025 670)
	110 597 814	82 040 387

7. Assets right to use

1- Operating assets

	30 September 2024	31 December 2023
	EGP	
Cost as of January 1, 2024	16 576 294	16 576 294
Total cost as of June 30 ,2024	16 576 294	16 576 294
Accumulated amortization as of January 1, 2024	5 730 560	4 258 529
Amortization of the period / year	1 347 115	1 472 030
Accumulated amortization as of September 30,2024	7 077 675	5 730 559
Net book value as of June 30 ,2024	9 498 619	10 845 734

2- Operating lease liabilities

	30 September 2024	31 December 2023
	EGP	
Lease liabilities - current portion	2 618 927	3 329 801
Lease liabilities – Non - current portion	31 708 761	29 683 106
	34 327 688	33 012 907

8. Investments in associate companies

	Percentage of ownership	30 September 2024	31 December 2023
		EGP	
South of Upper Egypt Company of sacks manufacturing	20%	17 701 256	24 712 058
		17 701 256	24 712 058

9. Investments designated at fair value through profit or loss

	Number of funds	Purchase price	Purchase value	valuation	30/9/2024	Gain from revaluation
Themar Funds	--	--	--	--	--	--

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10. Intangible assets

	<u>30 September 2024</u>	<u>31 December 2023</u>
	EGP	EGP
Cost		
Beginning Balance for the period / year	286 916 733	283 895 600
Additions during the period / year	57 500	3 021 133
Ending Balance for the period / year	<u>286 974 233</u>	<u>286 916 733</u>
Accumulated amortization		
Beginning Balance for the period / year	(69 214 073)	(59 628 268)
Amortization during the period / year	(7 165 509)	(9 585 806)
Ending Balance for the period / year	<u>(76 379 582)</u>	<u>(69 214 074)</u>
Net book value at the end of period / year	<u>210 594 651</u>	<u>217 702 659</u>

Intangible assets are represented to the license of Misr Cement Minya (Previously Minya Portland Cement) and SAP Program for Misr Cement (Qena) Company.

11. Inventory

	<u>30 September 2024</u>	<u>31 December 2023</u>
	EGP	EGP
Raw materials and packing	223 900 401	148 024 657
Gasoline, Mazot & coal	380 940 199	76 634 725
Spare parts	464 753 457	388 040 941
Work in progress	154 507 788	726 849 938
Goods at transit	1 045 626	1 038 377
Finished goods	65 240 074	87 267 972
	<u>1 290 387 545</u>	<u>1 427 856 610</u>

12. Accounts receivable and notes receivable

	<u>30 September 2024</u>	<u>31 December 2023</u>
	EGP	EGP
Accounts receivable	109 254 799	102 370 339
(Less) :		
Expected credit loss	(12 551 432)	(11 854 149)
	<u>96 703 367</u>	<u>90 516 190</u>

13. Debtors and other debit balances

	<u>30 September 2024</u>	<u>31 December 2023</u>
	EGP	EGP
Advanced payment – suppliers	157 393 474	162 068 558
Tax authority– value added tax	71 135 551	53 290 926
Tax authority– withholding taxes	27 825 309	20 455 852
Deposits with others	42 125 032	40 710 732
Prepaid expenses	14 268 691	5 101 522
Cover of letter of guarantee	4 339 921	4 320 000
Letter of credit	38 465 016	3 555 466
Accrued interest on time deposits	97 563 370	100 033 341
Other debit balances	44 770 032	18 177 156
	<u>497 886 395</u>	<u>407 713 553</u>
(Less):		
Expected credit loss	(4 345 547)	(2 895 355)
	<u>493 540 848</u>	<u>404 818 198</u>

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14. Cash on hand and at banks

	30 September 2024	31 December 2023
	EGP	EGP
Cash on hand	687 009	24 998
Current accounts in banks	351 165 744	67 499 791
Time deposit (maturing during three months)	288 418 857	18 975 943
Time deposits (maturing more than three months)	1 050 587	53 988 520
Checks under collection	400 000	--
	641 722 197	140 489 252

15. Paid up Capital

- The Company's authorized capital amounts to EGP 600 000 000, while the issued capital amounted to EGP 300 000 000 distributed over 30 000 000 shares of par value EGP 10 each, based on the decision of the extraordinary general assembly held on 22nd of March 2009 the capital was deducted by an amount of EGP 1 220 000 for 122 000 treasury shares, and it was registered in the commercial register in on 5th of July 2009, thus the paid up capital became EGP 298 780 000 distributed over 29 878 000 shares of par value EGP 10 per share .
- According to a board members meeting No 186 held on September 12, 2017 and authorized from GAFI on 25 September 2017 which decided to increase the capital with amount EGP 301 220 000 divided to 30 122 000 shares at EGP 10 per share, became EGP 600 000 000 as registered in the commercial register on 31 January 2018 No. 4955.
- The Ordinary General Assembly held on 28 March 2018 decided to distribute a free share for every 5 shares from retained earnings to share become 72 000 000 shares instead of 60 000 000 shares thus the paid up capital become EGP 720 000 000 instead of EGP 600 000 000 and it was registered in the commercial register on 29 May 2018 no. 23904 to become authorized capital amount to EGP 1 500 000 000, and issued and paid up capital amount to EGP 720 000 000 distributed on shareholder's as follow:
- According to the extraordinary general assembly meeting held on 25 June 2023, it was decided to increase the capital through free shares to become EGP 960 000 000, and it was registered in the commercial registry on 3 October 2023.

	Percentage (%) of Participation	No. of shares	Paid up capital EGP
NCB Capital Company (NBE)	%21.31	20 455 181	204 551 810
Egyptian Federation for Construction and Building Contractors	%15,01	14 409 599	144 095 990
Egyptian Company for investment projects	%10,07	9 668 127	96 681 270
Egyptian Kuwait Investment Company	%9.88	9 485 607	94 856 070
National Investment Bank	%9.58	9 194 131	91 941 310
Egypt Company for Life Insurance	%9.37	8 998 451	89 984 510
QNB for finance services	%6.70	6 428 685	64 286 850
Individual & IPO	%18.08	17 360 219	173 602 190
	% 100	96 000 000	960 000 000

16. Reserves

	Legal reserve EGP	General reserve EGP	Capital reserve EGP	Total EGP
Beginning Balance for the year	196 781 595	10 216 984	7 932 820	214 931 399
Reserves during the period	3 790 474	--	--	3 790 474
Ending Balance for the period	200 572 069	10 216 984	7 932 820	218 721 873

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17. Non-Controlling shareholder's interests

First: Change in non-controlling interest shareholders

	<u>30 September 2024</u>	<u>31 December 2023</u>
	EGP	EGP
Beginning Balance for the year	476 924 718	471 400 581
Non-controlling interest -share in net profit for the period/year	(1 118 454)	20 570 284
Adjustments on retained earning	--	(2 486 624)
Non-controlling shareholders' shares from Subsidiaries	--	2 287 464
Non-controlling shareholders share in dividends distribution	(7 117 638)	(14 846 987)
Ending balance for the period/year	468 688 626	476 924 718

Second: Non-Controlling shareholder's interests

	Percentage of ownership %	<u>30 September 2024</u>	<u>31 December 2023</u>
		EGP	EGP
Misr Cement Minya (Previously Minya Portland Cement) shareholders			
Safari limited for investments	30.72 %	363 239 665	369 622 744
Industrial Fund for Developing countries	4.64 %	54 852 013	55 815 907
FLSmith	4.27 %	50 534 922	51 422 953
National Company for development and trading	--	61 254	62 330
Others	--	368	374
Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX) shareholders			
Others	0.01 %	404	410
		468 688 626	476 924 718

18. Deferred Tax Assets / (Liabilities)

	<u>Assets taxes</u>		<u>Liabilities taxes</u>	
	<u>30/9/2024</u>	<u>31/12/2023</u>	<u>30/9/2024</u>	<u>31/12/2023</u>
	EGP	EGP	EGP	EGP
Beginning balance for the period / year	10 090 714	10 090 714	324 033 856	327 214 511
Assets and (liabilities) movements-deferred tax	--	--	(451 894)	(3 180 655)
Ending balance for the period / year	10 090 714	10 090 714	323 581 962	324 033 856

19. Provisions

	Balance as of 1 January 2024	Charged during the period	Provisions used	Balance as of September 30 , 2024
	EGP	EGP	EGP	EGP
Tax provision	24 747 080	10 000 000	--	34 747 080
Provision for other claims and litigations	12 216 233	6 105 045	--	18 321 278
Provision for claims	51 696 843	--	--	51 696 843
	88 660 156	16 105 045	--	104 765 201

The provision for claims represents what has been created to meet any claims expected to be made by an external party. The company did not disclose information about the provisions due to management's belief that doing so would be expected to strongly affect the results of the negotiations with the external party. The management reviews these allocations annually and also adjusts the provision value according to the latest developments, discussions and agreements with the external party.

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20. Credit facilities

The balance of the debit current account on September 30, 2024 of Qena Cement Company, has facilities amounted EGP 318 939 193 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP 1 046 000 000.

The balance of long - term debit current account on September 30, 2024 of Qena Cement Company, has facilities amounted EGP 652 246 691 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP 1 046 000 000, provided that the full value of the financing is paid at the end of the financing life in one payment.

21. Creditors and other credit balances

	30 September 2024	31 December 2023
	EGP	EGP
Tax authority	19 080 350	14 246 665
Retention	13 227 091	14 588 859
Syndicate Stamps	6 895 041	6 674 426
Employees services association	250 557	765 581
Social insurance authority	4 550 938	3 454 731
Tax authority- value add tax	45 422 537	111 609 000
Production development fees	3 463 244	9 564 885
Accrued debit interests	2 712 512	9 691 050
Accrued expenses	37 537 399	35 957 718
Creditors - Dividends	40 258 757	4 667 737
Other- creditors	29 963 390	42 339 477
	203 361 816	253 560 129

22. Income tax payable

	30 September 2024	31 December 2023
	EGP	EGP
Beginning balance for the year	56 465 572	34 291 757
Accrued income tax for the period / year	29 620 195	55 353 453
Payments to tax authority	(38 752 747)	(33 179 638)
	47 333 020	56 465 572

23. Cost of sales

	First Nine Months		Second Three Months	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	EGP	EGP	EGP	EGP
Depreciation and amortization	114 164 222	108 582 148	43 406 048	38 985 377
Governmental fees and technical management contract fees	147 967 656	109 072 016	63 420 205	4 510 640
Electricity and power	2 257 524 748	1 541 077 241	1 027 086 028	510 350 483
Raw materials and packaging materials	374 950 438	285 393 375	96 701 529	138 699 597
Rent	14 487 651	--	8 565 001	(2 360 509)
Indirect costs	782 118 133	414 866 511	394 710 925	166 741 192
	3 691 212 848	2 458 991 291	1 633 889 736	856 926 780

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24. Selling and marketing expenses

	First Nine Months		Second Three Months	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	EGP	EGP	EGP	EGP
Depreciation	580 296	260 960	193 490	111 536
Salaries and wages	22 195 513	16 726 381	7 575 760	5 408 127
Others	6 364 414	13 694 856	2 867 692	3 871 535
	29 140 223	30 682 197	10 636 942	9 391 198

25. General and administrative expenses

	First Nine Months		Second Three Months	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	EGP	EGP	EGP	EGP
Depreciation And Amortization	7 995 142	2 849 467	3 436 586	649 131
Salaries and wages	65 800 852	61 391 151	24 084 793	21 452 322
Donations	6 002 272	4 682 488	2 411 680	2 089 326
Others	60 556 602	78 317 998	24 304 724	22 808 271
	140 354 868	147 241 104	54 237 783	46 999 050

26. Other (Expenses) / Revenues

	First Nine Months		Second Three Months	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	EGP	EGP	EGP	EGP
Fixtures remaining	748 012	486 126	1 529 805	330 211
Rent	903 656	639 000	753 656	263 000
Revenue from transport ,shipping and handling	43 283 571	37 720 242	14 968 444	13 000 692
Revenue from spare parts	1 143 259	(1 273 168)	--	--
Others	441 497	514 517	9 000	322 159
	46 519 995	38 086 717	17 260 905	13 916 062
Transport shipping and handling expenses	(43 411 028)	(37 823 093)	(14 821 799)	(13 600 190)
Spare Parts Cost	(792 161)	(1 126 690)	--	--
	2 316 806	(863 066)	2 439 106	315 872

27. Related party transactions

The transactions with related parties between Misr Cement Company (S.A.E) and its subsidiaries where all the balances resulting from the transactions between the company's group are completely disposed including the sales, expenses and dividends. Also all the revenues and losses resulting from transactions between the company's group that have been recognized in the assets as inventory and fixed assets have been Disposed.

	Sales /service revenue	Purchases /cost of services
Misr Cement Beton (Previously ASECO for ready mix company)	36 585 482	--
Qena company for management and maintenance	120 194 991	--
Misr Cement Minya (Previously Minya Portland Cement)	203 915 670	--
Misr Cement Minya (Previously Minya Portland Cement)	1 641 654	--
Misr Cement Minya (Previously Minya Portland Cement)	--	1 136 750
Misr Cement Minya (Previously Minya Portland Cement)	--	90 367

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27. Related party transactions

Also, the transaction between the related parties are presented in the between Misr Cement Company – Qena (S.A.E) and some shareholders and associate companies as follows:

Company	Nature of the relation	Type	30 September 2024 EGP
Misr Insurance	Shareholder	Insurance installments	8 250 265
South of upper Egypt company (main supplier)	Associate	Sacks supplying	115 991 000

28. Capital Commitments

	Currency	Contract amount	Balance as of 30 September 2024
Misr Cement Minya (Previously Minya Portland Cement)	EGP	24 597 953	1 245 860
			<u>1 245 860</u>

29. Contingent liabilities

The letters of guarantee that issued at the Company's request from the banks in favor of third parties as follows:

	The letters of Guarantee	Cash Cover
Misr Cement Minya (Previously Minya Portland Cement)	EGP 7 492 384	EGP Non-fully covered
Misr Cement - Qena	4 320 000	Fully covered

30. Tax Situation

The Tax situation for Misr Cement Qena

a) Corporate taxes

An Introduction

-The company was established according to the law No.159 for the year 1981 and the general authority for investment and free zones approved that the company is exempted for tax for cement only according to the law of assurance and incentive of investment No. 8 for the year 1997 and that starts from the next year of production (6 April 2002) and for ten years which starts from 1 January 2003 to 31 December 2012.

-Financial year ended on 31 December 2013 considered the first year subjected to tax.

1. Years from beginning of the activity to 2004

All tax differences that are due have been paid.

2. Years from 2005/2007

-The company was inspected in these years the differences were settled and the taxes were paid.

-Tax authority objected on the appeal committee's decision about the provision used for the year 2007 with amount of EGP 11 661 503 based on the fact that the provision represent amounts transferred to abroad and must be subjected to article 56 of law 91 for the year 2005 and decided to debit amount and subject it to 20% amounted to EGP 2 915 376 and filed a lawsuit against the company being considered of Qena first instance. The court used experts to consider the difference. We have prepared a note include the legal defense and discussions with the expert about it and issue the expert report that the tax authority does not have the right to subject the provision used according to article 56 from the law no,91 for the year 2005 and its executive regulations an initial judgment was issued in 24 September 2014 for the entitles for the company about this item. The country appeal representative objected on the decision and The appeal is being considered by the competent court, and the Administrative Court of the State Council in Qena issued a decision rejecting the case, and the representative of the state appealed against the ruling and it was transferred to the Supreme Administrative Court in Cairo.

30. Tax Situation (Followed):

The Tax situation for Misr Cement Qena(followed)

3. Years from 2008/2014

The company was examined for those years and the dispute for that year ended.

4. Years from 2015/2018

The tax office sent an estimated form (19 taxes) for those years, including the corporate tax of the amount EGP 315 260 095 and differences in Article (56) in the amount of EGP 29 939 425. The form was appealed within the legal dates, and the actual examination of the company's books and documents was re-examined. The examination resulted in tax differences as follows:

- Corporate tax differences amounting to EGP 28 652 192.
- Article 56 differences amounting to EGP 59 526.
- Article 147 container amounting to EGP 5 182 000

This is in addition to the delay fee and the additional tax, and due to the presence of major points of disagreement between the company and the tax office, the re-examination memorandum was appealed within the legal deadline to discuss the items of disagreement before the competent committee.

5. Year 2019

-The Tax authority examined the company's books and documents for that period. Form (19 Taxes) was sent via the electronic portal of the Tax Authority, including the corporate tax differences in the amount of EGP 7 824 204, in addition to the delay fee and the additional tax. Due to the presence of major points of disagreement between the company and the Tax Authority, the form was appealed. Within the legal deadline for discussing the disputed items before the competent committee.

6. Year 2020/2022

Based on the Article (41) of the Unified Tax Procedures Law No. 206 of 2020 and Article (49) of the executive regulations of the same law, the mission of the tax center for its major financiers has decided to conduct the examination for those years electronically, and therefore all documents and data necessary for examination must be sent within fifteen days from the date of receiving the notification form for the examination electronically through the authority system

- The company presented the annual tax position at its legal dates.
- The tax authority did not inspect the company for those years.

b) Salary tax

1. Years from beginning of the activity to 2019

The authority examined those years and ended the dispute over that year.

2. Year 2020 / 2023

- The company withholds the tax from the employees and exports it to the tax authority at the legal dates.
- The Tax authority didn't inspect the company's documents for those years.

c) Value added tax (Sales Tax)

1. Years from beginning of the activity to 2007

The inspection for that year has been completed and the differences were paid and the dispute was resolved.

2. Years from 2008/2010

The Tax authority inspected the company for that year and form (15 D A M) was issued with differences in sales tax amounting to EGP 1 147 876 and the company has objected on this form and the review was completed by Supreme Committee which reduced the amount to EGP 697 549 and this amount was paid to avoid the penalties, the dispute was referred to the court, the case is being taken to court. A judgment of the Administrative Court was issued acquitting the company from the tax differences for the year from 1/1/2008 to 5/3/2009, with the consequent effects.

3. Years from 2011/2019

The inspection for that year has been completed and the differences were paid and the dispute was resolved.

30. Tax Situation (Followed):

The Tax situation for Misr Cement Qena (followed)

4. Years from 2020

The tax authority conducted an examination of the company from January 2020 to November 2020, which resulted in tax differences amounting to EGP 157,124, and the differences were approved.
December 2020: The month was not examined

5. Years from 2021/2023

- The company has been submitting tax returns on time as per legal requirements.
- The tax authority did not conduct an examination of the company for those years.

d) Development of the country's financial resources fees

1. Years from 5 May 2008 to 2022

-The Tax Office has reviewed the company's books and documents for that period, and no claims have been issued to the company for the year 2021 while the differences for the year 2022 were in the amount of EGP 28. There is also a delay charge as a result of the delay in monthly payments in the amount of EGP 262 057.

2. Year 2023

- The company calculates the fee due in accordance with the law and submits it to the Tax authority on the legal date.

e) Property tax

Introduction:

Law No. 196 of 2008 was issued, imposing a tax on built properties, which was then amended by Law No. 103 of 2012 and further by Law No. 117 of 2014.

Application of the Law: The law has been applied since 1/7/2013, with the valuation being effective until 31/12/2021, according to Law No. 4 of 2019, which amended Law No. 196 of 2008.

Dependence on Valuations: The tax authority relied on valuations for calculating the tax due on the company for the years 2022, 2023, and 2024, as no notifications of new valuations were received.

Company's Declarations: The company submitted real estate tax declarations for its properties in accordance with Law No. 196 of 2008 and its amendments

Government Decision: On August 30, 2022, a decision was issued by the Council of Ministers for the Ministry of Finance to bear the full tax due on built properties used in certain activities from 1/1/2022, for a period of three years, subject to conditions. The cement activity was listed under item number 12 among the activities for which the Ministry of Finance bears the tax due on its properties used in the activity.

The Tax situation for Misr Cement Minya (Previously Minya Portland Cement)

First: Tax on the profits of capital companies:

- Years 2010 to 2012: an estimated calculation has been done and the Appeal Committee issued a decision to re-inspect, and the inspection is being prepared
- Years 2013/2016: The accounting was estimated for these years, and an internal committee was formed to re-inspect, and the inspection is being prepared, and a 3/4 examination form was issued to transfer the file to the Appeal Committee for statute of limitations, and a session was set for it on May 13, 2024.
- Years 2017/2018: The company was provisionally accounted for these years, and the form was appealed, and an internal committee was formed, and the decision to re-inspect was issued, and the inspection is being conducted.
- Years 2019/2022: The company submitted the tax returns within the legal deadlines.

Second: Payroll tax and the like

- Payroll taxes for the year from 2006 to 2012 were examined and approved by the committee and the payment was made.
- The examination of the years 2013 to 2020 is being completed and the due tax differences have been paid.
- The company deducts the payroll tax and pays it to the competent tax office

Third: Value Added Tax

- The company has been inspected and the differences due for the years 2010 to 2019 have been paid.
- The company submits tax returns on the legal dates.
- The period from January 1, 2020 to November 30, 2020 is being inspected and the tax differences due have been paid.

30. Tax Situation (Followed):

The Tax situation for Misr Cement Minya (Previously Minya Portland Cement) (Followed)

Fourth: Deduction and collection under tax account

The company applies the regulations of the withholding tax to its dealings with others in accordance with the provisions of Income Tax Law No. 91 of 2005, and the supply is made within the legal deadlines.

Fifth: Stamp tax

- The company was examined until December 31, 2015, and the examination was approved and paid.
- The company was notified of Form No. 3 "Real Estate Tax" for the year 2022 on June 19, 2022, and payments were made under the real estate tax account for the year 2022, noting that the company is exempt from paying the real estate tax for the period from January 1, 2022 to December 31, 2024, in accordance with Prime Ministerial Resolution No. 61 of 2022.

sixth: Property tax

- The company has paid the real estate taxes due for the period from the implementation of the law until the year 2021.
- The company was notified with Form No. 3 "Real Estate Tax" for the year 2022 on June 19, 2022, and payments under account for real estate tax for the year 2022 were made, noting that the company is exempt from paying real estate tax for the period from January 1, 2022, to December 31, 2024, according to the Prime Minister's Decree No. 61 of 2022.

The Tax status for Qena for maintenance

The company was established on June 26, 2018, and subjected to the provisions of Law No. 159 of 1981 and the following is a summary of the tax position for each tax:

A. Corporate tax

Years from the Beginning of Activity until 2021

- The company submitted the tax return within the legal deadlines.
- The tax authority requested an examination and review of the company's books and documents for those years, preparations are underway to examine the company for those years.

Years 2022/2023

- The company submitted the tax return within the legal deadlines.
- The tax office did not inspect the company for those years.

B. Salaries tax

Years from the Beginning of Activity until 2023

- The company deducts the tax and exports it to the tax authority within the legal dates.
- The company has not received any inspection notifications from the tax authority for that period to date.

C. Value add tax

Years from the Beginning of Activity until 2022

- The company was registered with the Value Added Tax Authority on October 13, 2021.
- The company is committed to submitting value added tax returns and paying the due tax.
- The tax authority requested an inspection of the company for the period from October 2021 to December 2022 and preparations are underway for the inspection.

Years 2023

- The company submits tax returns on the legal dates.
- The company was not requested to be inspected for that period.

D. Stamp tax

Years from the Beginning of Activity until 2021

- The tax authority inspected the company's books and documents for those years and paid the due tax.

Years 2022/2023

- The tax authority did not inspect the company for that period.

30. Tax Situation (Followed):

The Tax status for Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX)

The company was established according to act no. 159 for the year 1981 and the company's tax status is as follows:

A. Corporate tax

- The company submitted the tax return on the legal dates from the Beginning of Activity until 2023
- The company was inspected from the beginning of the activity until 2015, and the inspection memorandum was objected to, and the defense memorandum was prepared to be submitted to the internal committee.
- The defense memorandum was submitted to the internal committee and the committee's result is waited for the years from 2009 to 2015
- Form 19 was issued for the company's estimated inspection for the period from 2016 to 2018 with a total tax of EGP 101 644 052, and it was appealed, and a decision was issued to re-inspect from the competent internal committees.
- The documents for the re-inspection for the period from 2016 to 2018 and the 2019 inspection were prepared, and the inspection process is underway with the competent officer.

B. Salaries tax

Years from the Beginning of Activity until 2023

- The inspection and final agreement were completed and the inspection differences due from the beginning of the activity until 2022 were paid.
- The company submits tax returns and pays its obligations to the tax authority on the legal dates.

C. The value added tax

- The company is registered for value added tax.
- The company was inspected for the period from the beginning of the activity until December 31, 2016 and there is no debt.
- The company was inspected from 1/1/2017 until 12/31/2019 and the inspection resulted in a total tax of EGP 4 900 009.
- Form 15 of the value added tax and the decisions of the internal committee, and the appeal committees were appealed. The file was referred to the competent court and a defense memorandum was submitted.
- a request to pay the inspection differences of EGP 4 900 000 has been sent, and the company addressed the Central Debt Administration requesting payment of an amount of EGP 400 000 under the tax differences account, payment was made in 2017 of EGP 37 296, in 2018 of EGP 174 309, and in 2019 of EGP 188 395.
- An inspection notice was sent to the company for the period from 1/1/2020 to 12/31/2020, and the inspection resulted in tax differences of EGP 377 049, and this was paid in addition to the additional tax.

D. Stamp tax

- The company has been inspected from the beginning of the activity until 2018 and the inspection differences were paid.
- The years from 2019 to 2020 were inspected and the inspection differences and fines were paid.

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31. Changes in Egyptian accounting standards

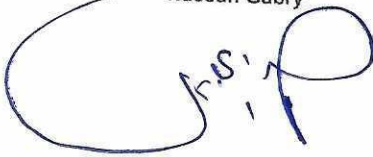
Dated March 3, 2024 issued by the Prime Minister's Decision no. (32) for 2024 to amend some provisions of the Egyptian Accounting Standards and below is summary of the most important amendments.

The Standards that were Reissued	Summary of the major amendments	Impact on the financial statements	Date of application
Amended Egyptian Accounting Standard No. 34 "Investments Property"	The fair value model application mechanism has been modified, adding that the profit or loss arising from a change in the fair value of investment property must be recognized in the list of profits or losses for the period in which the change arises or through the other comprehensive income list once in the age of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	Not applicable to the company	The amendments to add the fair value model option to the financial periods commencing on or after 1 January 2024, allowing for early retroactive application, with the cumulative effect of applying the fair value model being demonstrated initially by adding it to the retained earnings balance at the beginning of the financial period in which the company first applied the model.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Financial Statements" was reissued in 2024, where the option to use the equity method as described in Egyptian Accounting Standard No. (18) has been added "Investments in Associate Companies" when accounting for investments in subsidiaries, associate companies and joint control companies.	Applies to the company	The amendments shall apply to financial periods commencing on or after January 1, 2024, and early application is allowed retroactively, with proof of the cumulative impact of the application of the equity method by adding it to the retained earnings balance at the beginning of the financial period in which the company first applied the model.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of Changes in Foreign Exchange Rates"	This standard was reissued in 2024, adding how to determine the intraday rate when it is difficult to exchange between two currencies and the conditions that must be met in the intraday exchange rate on the measurement date. An application guidelines appendix has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.	Management is currently assessing the potential impact on the financial statements of the application of amendments to the standard.	The adjustments for determining the intraday exchange rate when the exchange between two currencies is difficult shall be applied to the financial periods starting on or after January 1, 2024, and early application is allowed, and if the entity makes early application, this must be disclosed. Upon application, the entity may not modify the comparative information, instead: When an entity reports foreign currency transactions in its currency of dealing, any effect of the initial application is recognized as an adjustment to the opening of the retained earnings balance on the date of initial application. When an entity uses an offer currency other than its own dealing currency or translates the results and financial position to a foreign currency, any effect of the initial application is recognized as an adjustment to the cumulative balance of foreign currency exchange- accumulated on the equity side - on the date of initial application.

32. Important Events

- On March 6, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates, and the main operation rate of the central bank by 600 basis points to 27.25%, 28.25%, and 27.75% respectively. The discount and credit rates were also raised by 600 basis points to 27.75%. The central bank also decided to allow the exchange rate to be determined according to market mechanisms. Consequently, the exchange rates of the Egyptian pound against the dollar and some other currencies declined.
- The impact of the current uncertain economic environment is an estimation, and the management will continue to assess the current situation and its associated impact regularly and It should also be considered that the assumptions used regarding economic expectations are subject to a high degree of uncertainty and, therefore, the actual outcome may differ significantly from the expected information. The company has taken into account the potential effects of the current economic fluctuations, which represent the best assessment by the management based on available information. However, markets remain volatile, and the recorded amounts remain sensitive to market fluctuations.

Managing Director
Hassan Gabry



Group Chief Financial Officer

Moustafa Abd Elrazek



Financial Manager

Adel Attia Mohamed

