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

Separate interim Financial Statements
For The Period Ended June 30,2025
And Limited Review Report

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KRESTON EGYPT
Tamer Nabarawy & Co.

Limited Review Report

To: The Chairman and member 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 accompany separate interim financial statements of MISR CEMENT (QENA) COMPANY (S.A.E) which comprise the separate interim statement of financial position as at June 30,2025 and the related separate interim statements of income Separate interim, other comprehensive income Separate interim, change of equity Separate interim and cash flows Separate interim for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and Fair presentation of these separate interim financial statements in accordance with the Egyptian Accounting Standards, our responsibility is to express a conclusion on these separate 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 separate interim financial statement performed by the independents Auditor of the entity". A limited review of separate interim financial statements consists of making inquiries primarily to people 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 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 such an audit opinion on this separate interim financial statement.

Conclusion:

Based on our limited review, nothing has come to our attention that causes us to believe that the accompany separate interim financial statements do not present fairly, in all material respect the separate interim financial position of MISR CEMENT (QENA) COMPANY (S.A.E) as at June 30,2025 and its financial performance and its cash flow for the six months then ended, in accordance with Egyptian accounting standards.

Cairo, August 6, 2025

Auditor

Tamer Nabarawy
Financial Regulatory Authority
Register Number (389)
Tamer Nabarawy and Co.
KRESTON EGYPT

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Translation of financial statements
Originally issued in Arabic

Separate interim Statement of Financial Position

	Note	30 June, 2025	31 December, 2024
		EGP	EGP
Non-current assets			
Fixed assets	(5)	412 424 126	388 172 306
Assets right to use	(6-A)	1 567 500	1 943 700
Intangible assets	(7)	763 134	1 048 269
Project under construction	(10)	10 015 720	8 762 506
Investments in subsidiaries	(8)	1 168 435 322	1 168 435 322
Investments in associates	(9)	800 000	800 000
Deferred tax Assets	(18)	10 090 714	10 090 714
Total non-current assets		**1 604 096 516**	**1 579 252 817**
Current assets			
Inventory	(11)	870 815 976	619 571 743
Due from related parties	(13-A)	39 728 823	34 950 685
Account receivables	(12)	--	10 453 629
Debtors and other debit balances	(14)	199 923 755	115 758 408
Cash and cash equivalent	(15)	215 907 060	244 521 142
Total current assets		**1 326 375 614**	**1 025 255 607**
Total assets		**2 930 472 130**	**2 604 508 424**
Equity			
Issued and paid-up capital	(16)	960 000 000	960 000 000
Reserves	(17)	229 509 438	218 721 873
Retained earnings		187 358 787	112 535 283
Net Profit for the period / year		347 467 349	215 751 290
Total Equity		**1 724 335 574**	**1 507 008 446**
Non-current liabilities			
financing lease liability – non-current portion	(6-B)	1 036 904	1 547 971
Deferred tax liabilities	(18)	59 855 246	56 737 977
Facilities – long term	(21)	--	81 460 122
Total non-current liabilities		**60 892 150**	**139 746 070**
Current liabilities			
Provisions	(19)	103 197 157	97 679 664
Facilities	(21)	5 653 283	111 500 832
Receivables – advance payments		56 032 018	22 027 718
Suppliers and notes payable	(20)	725 290 079	550 944 704
Due to related parties	(13-B)	--	18 656 982
Creditors and other credit balances	(22)	156 568 759	83 972 788
financing lease liability – current portion	(6-B)	172 932	99 923
Income tax payable		98 330 178	72 871 297
Total current liabilities		**1 145 244 405**	**957 753 908**
Total liabilities and equity		**2 930 472 130**	**2 604 508 424**

- The accompanying notes are an integrated part of these interim Separate financial statements.
- limited review report attached

Managing Director	Chief Financial Officer	Financial Manager
Hassan Gabry	Mahmoud Karam	Adel Attia Mohamed

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Separate interim Statement of Income

	Note	First six months 30/6/2025 EGP	First six months 30/6/2024 EGP	Three months ended 30/6/2025 EGP	Three months ended 30/6/2024 EGP
Net Sales		1 575 459 787	1 022 666 484	801 648 033	449 271 314
(Less):					
Cost of sales	(23)	(1 050 748 093)	(856 991 470)	(501 933 585)	(363 625 541)
Gross profit		**524 711 694**	**165 675 014**	**299 714 448**	**85 645 773**
Selling and marketing expenses	(24)	(19 124 063)	(8 769 765)	(9 391 773)	(4 462 561)
General and administrative expenses	(25)	(58 837 673)	(40 749 183)	(31 657 652)	(19 605 359)
Amortization of intangible assets	(7)	(285 135)	(468 127)	(142 568)	(236 458)
Other revenue	(27)	2 884 410	509 493	2 367 735	87 536
Board of directors' salaries, attendance and transportation allowances		(6 198 970)	(2 445 815)	(4 244 421)	(1 109 716)
Total expenses		**(81 561 431)**	**(51 923 397)**	**(43 068 679)**	**(25 326 558)**
Net Operating profits		**443 150 263**	**113 751 617**	**256 645 769**	**60 319 215**
Add / (Less):					
Finance expense		(13 833 385)	(31 236 224)	(5 879 098)	(16 557 593)
Amortization of assets right to use	(A-6)	(376 199)	(376 199)	(188 099)	(188 098)
financing lease interest		(121 662)	(106 497)	(57 925)	(63 737)
Expected credit losses		(229 323)	(452 824)	(144 379)	(296 440)
Foreign currency exchange differences		(18 013 542)	7 426 539	(6 889 008)	(80 392)
Provision charged		(5 517 493)	--	(5 517 493)	--
Expected credit losses (reversed)		663 787	--	663 787	--
Credit interest		5 587 705	961 504	3 268 983	203 231
Revenue from investments in associate and subsidiaries companies	(26)	37 604 647	14 586 428	470 099	4 000
Net Profits for the period before Taxes		**448 914 798**	**104 554 344**	**242 372 636**	**43 340 186**
(Less):					
Income tax		(98 330 180)	(23 100 992)	(57 016 427)	(10 207 807)
Deferred Tax		(3 117 269)	(151 741)	(3 250 785)	(468 448)
Net Profits for the period After Taxes		347 467 349	81 301 611	182 105 424	32 663 931
Earnings per share (EGP/Share)	(28)	3.02	0.78	2.30	0.34

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Managing Director	Chief Financial Officer	Financial Manager
Hassan Gabry	Mahmoud Karam	Adel Attia Mohamed

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Separate interim Statement of Comprehensive Income

	First six months		Three months ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	EGP	EGP	EGP	EGP
Net Profits for the period After Taxes	347 467 349	81 301 611	182 105 424	32 663 931
Add / (Less):				
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	**347 467 349**	**81 301 611**	**182 105 424**	**32 663 931**

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Managing Director	Chief Financial Officer	Financial Manager
Hassan Gabry	Mahmoud Karam	Adel Attia Mohamed

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›parate interim statement of Change in Equity

30 June, 2024	Issued and Paid up Capital	Reserves	Retained Earnings	Net Profit for the period	Total
	EGP	EGP	EGP	EGP	EGP
lance at 1 January 2024	960 000 000	214 931 399	97 399 893	75 809 474	1 348 140 766
nsferred to retained earnings	--	--	75 809 474	(75 809 474)	--
nsferred to reserves	--	3 790 474	(3 790 474)	--	--
idends Distribution	--	--	(56 885 393)	--	(56 885 393)
al comprehensive income for the period	--	--	--	81 301 611	81 301 611
'ance on 30 June, 2024	960 000 000	218 721 873	112 533 500	81 301 611	1 372 556 984
30 June, 2025					
'ance at 1 January 2025	960 000 000	218 721 873	112 535 283	215 751 290	1 507 008 446
nsferred to retained earnings	--	--	215 751 290	(215 751 290)	--
nsferred to reserves	--	10 787 565	(10 787 565)	--	--
idends Distribution	--	--	(130 140 221)	--	(130 140 221)
al comprehensive income for the period	--	--	--	347 467 349	347 467 349
lance on 30 June, 2025	960 000 000	229 509 438	187 358 786	347 467 349	1 724 335 574

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Managing Director	Chief Financial Officer	Financial Manager
Hassan Gabry	Mahmoud Karam	Adel Attia Mohamed

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Separate interim Statement of Cash Flow

	Note	30 June, 2025 EGP	30 June, 2024 EGP
Cash Flows from Operating Activities			
Net Profits for the period before taxes		448 914 798	104 554 344
Adjustment to reconcile net profit to cash flow from operating activities			
Depreciation of fixed assets	(5)	19 467 240	18 246 357
Amortization of intangible assets	(7)	285 135	468 127
Revenue from investments		(37 604 647)	(14 586 428)
Expected credit losses		229 323	452 824
Finance lease interest		121 662	106 497
Amortization of assets right to use	(6)	376 200	376 199
Provision charged		5 517 493	--
Foreign currency exchange		18 013 542	(7 426 539)
Debit interest		13 833 385	31 236 224
Credit interest		(5 587 705)	(961 504)
Net Operating profits		**463 566 426**	**132 466 101**
Change in inventory	(11)	(251 244 232)	24 423 464
Change in related parties	(13)	(23 435 120)	(1 947 966)
Change in debtors and other debit balances	(14)	(84 394 670)	(45 778 991)
Change in account receivables	(12)	10 453 629	--
Change in receivables – advance payments		34 004 301	6 878 355
Change in suppliers	(20)	174 345 375	12 676 351
Change in creditors and other credit balances	(22)	21 822 527	(43 181 071)
Paid from financing lease contracts		(559 720)	(544 555)
Net cash Flows from operating activities		**344 558 516**	**84 991 689**
Income taxes paid		(72 871 298)	(22 169 558)
Cash flows from investing activities		**271 687 218**	**62 822 131**
(Payments) For purchase fixed assets	(5)	(43 719 060)	(19 637 948)
(Payments) For purchase intangible assets	(7)	--	(57 500)
(Payments) For projects under construction		(1 253 214)	(2 941 821)
Proceeds from investments measured at fair value through profit or loss (FVTPL)		--	15 021 897
Collected credit interest		5 587 705	961 504
Collected from dividends distributions		37 604 647	14 586 427
Net cash flows from investing activities		**(1 779 922)**	**7 932 559**
Cash flows from financing activities			
Change in facilities		(187 307 671)	(41 153 453)
Debit interest paid		(13 833 385)	(31 236 224)
Dividends distributions - paid		(79 366 780)	(8 808 945)
Net cash flows (used in) financing activities		**(280 507 836)**	**(81 198 622)**
Net cash and cash equivalents during the period		**(10 600 540)**	**(10 443 932)**
Foreign Currency exchange differences		(18 013 542)	7 426 539
Cash and cash equivalent – beginning of the period		244 521 142	40 337 825
Cash And Cash Equivalent – End of the period	(15)	**215 907 060**	**37 320 432**

- The accompanying notes are an Integral part of these interim Separate financial statements.

Managing Director	Chief Financial Officer	Financial Manager
Hassan Gabry	Mahmoud Karam	Adel Attia Mohamed

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Notes to the interim Separate Financial Statements

1. <u>About the Company</u>

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 on 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

- Cement production 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 " and during the year 2022, the business was assigned to QENA for management and Maintenance Company.

- MISR CEMENT CO, (QENA)COMPANY (S.A.E) have 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"
- From JULY 2022, the company has assigned technical support to QENA for management and Maintenance Company.

1.3. The Company's Location

- The head office 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 periods 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 Fiscal Year For begins from 1 January and ends at the end of December of each year.
- The company is registered on both the Cairo and Alex Exchange Market.

1.6. Approval of the financial statements

The financial statements of the Company for the period ended June 30, 2025, were authorized for issuance in accordance with a resolution of the board of directors on August 6,2025

2. Basis For financial statement preparation

- The Separate Financial Statements of the Company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.
- The financial statements have been prepared under the going-concern assumption and on the historical cost basis under the fair market value.
- The financial statements have been prepared and presented in Egyptian pound, which is the Company's functional currency.

3. Significant accounting estimates and personal judgments

3.1 The significant accounting 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 experience and some other factors including the expected future events that fit these circumstances.
These estimates and assumptions are reviewed yearly 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:

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 in value of commercial debtors.

The evaluation of the value of receivables is mage 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 grated for them and the impairment is recorded with the value of the due amounts on the customers who the Company management sees that their credit position does not allow them to pay their liabilities.

c. Useful lives of fixed assets

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

d. Impairment of Inventory

The company's management reduces the obsolete and low turnover of 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 the use of personal judgment, which may have a significant impact on the value recognized in the financial statements.

3.3 Fair value measurement

- 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.
- 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 into 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.
- 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 the years presented in these financial statements.

4.1 Foreign currencies translation

Transactions 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 measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition.

4.2 Fixed assets and their Depreciation

a. The first recognition and initial measurement

Fixed assets are stated at the historical cost deducts of accumulated depreciation and accumulated impairment losses.

b. Subsequent Cost of acquisition

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 assets 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 are 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%

4.3 Intangible assets

The intangible assets are initially recognized at the cost then they are recognized at the cost less the accumulated amortization and the accumulated impairment.

The intangible assets with a definite life are amortized throughout the assets' economic life. An impairment test is made whenever there is an indicator of the assets' impairment. The amortization year and method of the intangible assets with a definite life are revised at least once at the end of each fiscal year.

4.4 Projects under construction

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

4. Significant accounting policies (followed)

4.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recorded at costless losses of their impairment, in subsidiaries are accounted for at cost including transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the Income Statement for each investment separately.

4.6 Financial investments at fair value through OCI

Financial investments are recognized at fair value through comprehensive income at cost on the date of acquisition. Investments listed on the stock exchange are evaluated at fair value (market value). As for investments not listed on the stock exchange, they are evaluated at their calculated value - according to the studies conducted in this regard - and the value of the resulting differences is recorded. As a special reserve - the differences in the evaluation of financial investments available for sale within shareholders' equity, and when the investment is sold, its share in the special reserve is added to the income statement.

For financial investments at fair value through comprehensive income that are not active (they have no market value in an active market) and whose fair value cannot be determined with a sufficient degree of confidence, these investments are recorded at their acquisition cost, and in the event of a decrease in the value of these investments (impairment), it is Adjusting the book value to the value of this decline and charging it to the income statement for each investment separately.

4.7 Inventory

The Inventory elements are valued as follows:

- Raw materials, gasoline, diesel, packaging and spare parts: at the lower cost (using the weighted average method) or net realizable value.
- Work in progress: at the lower of the cost of production based on the cost sheets or net realizable value.
- Finished goods: at the lower of the cost of production based on the cost sheets or net realizable value.

Cost of production includes the unit's share of direct materials, direct labor and both direct and indirect overheads.

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.

4.8 Revenue

Revenue from sales is recognized at 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.

- **Dividends**

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

- **Interest income**

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

4.9 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 lifetime of all customer balances and contract assets with customers

4. Significant accounting policies (followed)

4.9. Expected Credit Loss(followed):

-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 analyses of sales payments over the 36 months before December 31, 2021, and the corresponding historical credit losses incurred during this year.

- 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 year
- In order to determine losses related to customer balances, notes receivable, 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.

4.10 Provisions

A provision is recognized in the balance sheet when the Company has a present or legal or constructive obligation because 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 their best estimate.

4.11 Taxes

- **Income Tax**

Income tax is calculated 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.

- **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 may be 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. Significant accounting policies (followed)

4.12 Accounts Receivable, notes receivable, debtors and other debit balances and suppliers' advanced payment

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

4.13 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.

4.14 Treasury shares

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

4.15 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

4.16 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.

4.17 Capital reserve

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

4.18 Borrowing

Borrowings are initially recognized at the value received 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.

The amortized cost is calculated considering any discount or premium on purchase and fees or costs that are part of the effective interest rate. The effective interest rate amortization is included in financing costs in the income statement

4.19 Expenses

All expenses including the 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.

4.20 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 expenditure in the year.

4. **Significant accounting policies (followed)**

4.20 Borrowing cost (followed):

which they are incurred. The borrowings costs are represented in interest and other finance costs that the company pay to obtain the funds.

4.21 Pension plan for employees

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

4.22 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 balance sheet.

4.23 Dividends

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

4.24 Cash Flow Statement

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

4.25 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 grantee cover also the current bank accounts (credit balances)

4.26 Earnings per share

The company presented 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.

4.27 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.

4.28 Comparative figures

The comparative figures reclassified to comply with current figures.

4.29 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 Separate financial instruments doesn't differ significantly from its book value at the date of the preparation of the financial statements

4. Significant accounting policies (followed)

4.30 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 for 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 on 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

The interest rate risk is represented in the change in value of financial instruments 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 affects the company's open receivables and payables balance in foreign currency also asset and liability evaluation in foreign currency.

5. Fixed assets

June, 30 2025	Land	Buildings & constructions	Machinery & Equipment	Motor Vehicles	Tools	Furniture & Fixtures	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost at 1 January 2025	**7 221 739**	**278 888 786**	**1 039 622 370**	**14 027 244**	**25 456 406**	**25 427 559**	**1 390 644 104**
Additions during the period	--	--	42 008 754	--	543 808	1 166 498	**43 719 060**
Cost at 30 June, 2025	**7 221 739**	**278 888 786**	**1 081 631 124**	**14 027 244**	**26 000 214**	**26 594 057**	**1 434 363 164**
Accumulated depreciation at 1 January 2025	--	**218 308 057**	**745 033 806**	**8 680 466**	**13 699 552**	**16 749 917**	**1 002 471 798**
Depreciation for the period	--	2 764 526	12 680 485	1 097 077	1 524 745	1 400 407	**19 467 240**
Accumulated depreciation at 30 June, 2025	--	**221 072 583**	**757 714 291**	**9 777 543**	**15 224 297**	**18 150 324**	**1 021 939 038**
Net book value at 30 June, 2025	**7 221 739**	**57 816 203**	**323 916 833**	**4 429 701**	**10 775 917**	**8 443 733**	**412 424 126**

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

	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture & Fixtures EGP	Total EGP
Cost of fully depreciated assets and still being used.	167 619 905	585 155 805	6 852 244	7 405 186	12 152 881	**779 186 021**

- The depreciation expense charged this period has been allocated to the statement of interim Income Statement as follows:

Cost of Sales (Note 23)	17 416 445
Selling and marketing expenses (Note 24)	74 979
General and administrative expenses (Note 25)	2 075 124
	19 566 548

5. Fixed assets (Followed)

31 December, 2024	Land EGP	Buildings & constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture & Fixtures EGP	Total EGP
Cost at 1 January 2024	7 221 739	276 410 861	1 026 216 224	14 027 244	21 199 310	18 896 040	**1 363 971 418**
Additions during the year	--	2 477 925	13 406 146	--	4 257 096	6 531 519	**26 672 686**
Cost at 31 December, 2024	**7 221 739**	**278 888 786**	**1 039 622 370**	**14 027 244**	**25 456 406**	**25 427 559**	**1 390 644 104**
Accumulated depreciation at 1 January 2024	--	211 111 858	723 132 477	7 245 161	10 939 097	13 864 287	**966 292 880**
Depreciation for the year		7 196 199	21 901 329	1 435 305	2 760 455	2 885 630	**36 178 918**
Accumulated depreciation at 31 December, 2024	**-**	**218 308 057**	**745 033 806**	**8 680 466**	**13 699 552**	**16 749 917**	**1 002 471 798**
Net book value at 31 December, 2024	**7 221 739**	**60 580 729**	**294 588 564**	**5 346 778**	**11 756 854**	**8 677 642**	**388 172 306**

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

	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture & Fixtures EGP	Total EGP
Cost of fully depreciated assets and still being used.	28 850 414	571 504 475	6 852 244	4 758 967	11 362 975	**623 329 075**

- The depreciation expense charged this year has been allocated to the statement of interim Income Statement as follows:

Cost of Sales (Note 23)	40 807 683
Selling and marketing expenses (Note 24)	188 002
General and administrative expenses (Note 25)	3 720 175
	44 715 860

6. Assets right to use

a. Assets right to use

	30 June 2025	31 December 2024
	Motor vehicles	**Motor vehicles**
	EGP	**EGP**
Cost as at January 1, 2025	**3 762 000**	**3 762 000**
Cost as at 30 June, 2025	**3 762 000**	**3 762 000**
Accumulated Amortization at 1 January, 2025	1 818 300	1 065 900
amortization of the period / year	376 200	752 400
Accumulated Amortization at 30 June 2025	**2 194 500**	**1 818 300**
Net book value as at 30 June 2025	**1 567 500**	**1 943 700**

b. Operating lease liabilities

Lease liabilities - current portion	172 932	99 923
Lease liabilities – non-current portion	1 036 904	1 547 971
Total	**1 209 836**	**1 647 894**

7. Intangible assets

	30 June 2025	31 December 2024
	EGP	EGP
SAP program	**6 058 611**	**5 182 985**
Additions during the period	--	875 626
Balance at 30 June, 2025	**6 058 611**	**6 058 611**
(less):		
Accumulated amortization at 1 January 2025	**5 010 342**	**4 055 140**
amortization during the period / year	285 135	955 202
Accumulated amortization on 30 June, 2025	**5 295 477**	**5 010 342**
Net book value on 30 June, 2025	**763 134**	**1 048 269**

8. Investments in subsidiaries

	Percentage of Ownership	30 June 2025	31 December 2024
		EGP	EGP
Misr Cement Minya	60.36%	1 066 863 275	1 066 863 275
Misr cement Beton (S.A.E)	99.90%	92 071 047	92 071 047
Misr Cement Maintenance	47,505%	9 501 000	9 501 000
		1 168 435 322	**1 168 435 322**

- The balance of the investment in subsidiaries amounts to EGP 1 168 435 322 includes an amount of EGP 9 325 000 commissions and fees related to the loan acquired by the company to finance the acquisition of and Misr Cement Minya and Misr cement Beton concrete stock, this amount was added to the cost of the investment due to the need to finance the acquisition with it, a letter was received by the company from the lending bank that the amount will be repaid along with the loan on 15 payment

8. Investments in subsidiaries(followed):

- In 1 November 2015 a selling contract was signed between QENA CEMENT (S.A.E) and Misr cement-Beton (S.A.E) (ASECO FOR ready mix) to purchase 44 872 676 common stock owned to Misr Cement Minya which represent 46.48% and it represents its full ownership for the company with a price of EGP 20.75 for each stock, to be total share 58 274 508 common stock which represent 60.36% and purchasing 208 998 shares owned in Misr cement-Beton (S.A.E)

- Which present 55% and that represents its full ownership in the company with a price of EGP 334.1 for each share in addition to all the commissions and transfer of ownership expenses the company's shares become 363 698 share which represent 99.90%. In addition to brokerage commissions, transfer of ownership and the transfer fees, and on June 28, 2022, the number of shares of Misr cement – Beton company "ASECO ready mix previously" was increased to 379 998 shares which represent 99,90%.
- There is a commercial pledge valid on all shares owned by the company in the acquired subsidiaries as security for long-term loans.
- Based on the minutes of the Board of Directors meeting held on March 30, 2023, 95 010 shares were purchased with a par value of 100 pounds per share, bringing the total investment to a value of EGP 9 501 000, fully paid, and it was amended in the commercial register on October 17, 2023.

9. Investments in associates

	Percentage of ownership	30 June 2025 EGP	31 December 2024 EGP
South of Upper Egypt Company for sacks Manufacturing	20%	800 000	800 000
		800 000	**800 000**

10. Projects under construction

	30 June 2025 EGP	31 December 2024 EGP
Programs	8 546 718	8 546 718
Building maintenance	1 444 851	191 637
Others	24 151	24 151
	10 015 720	**8 762 506**

11. Inventory

	30 June 2025 EGP	31 December 2024 EGP
Raw materials and packing	141 666 569	110 517 278
Coal and diesel	290 380 363	62 081 441
Spare parts	284 714 840	319 133 023
Work in progress	101 660 529	93 632 349
Finished goods	52 393 675	34 207 652
	870 815 976	**619 571 743**

12. Account Receivables

	30 June, 2025 EGP	31 December, 2024 EGP
Account Receivables	--	10 885 605
(deduct):		
Expected credit losses	--	(431 976)
	--	**10 453 629**

13. Transactions with related parties

During the year the company and the related parties had a transaction between them based on the general assembly meeting and the most important transaction balances were as follows:

	Nature of the relation	Type	30 June 2025
Misr Insurance	Shareholder	Insurance installments	13 750 573
South of upper Egypt company (main supplier)	Associate company	Supplying bags	75 690 950
Misr Cement Beton	Subsidiary company	Cement sales	55 214 226
Misr Cement Beton	Subsidiary company	Other services	1 033 379
Misr cement minya	Subsidiary company	Spare parts	5 908 804
Misr cement minya	Subsidiary company	Other services	322 164
Misr cement minya	Subsidiary company	rents	808 000
Qena for Management and Maintenance Company (L.L.C)	Subsidiary company	Services	90 737 186
Qena for Management and Maintenance Company (L.L.C)	Subsidiary company	Other services	3 424 600

A) Due from related parties

	30 June 2025	31 December 2024
	EGP	EGP
Misr cement Beton (S.A.E)	26 041 957	23 667 118
Misr Cement Minya	4 279 335	12 328 604
Qena for Management and Maintenance Company (L.L.C)	10 595 436	--
	40 916 728	**35 995 722**
(Less):		
Expected credit loss	(1 187 905)	(1 045 037)
	39 728 823	**34 950 685**

B) Due to related parties

	30 June 2025	31 December 2024
	EGP	EGP
Qena for Management and Maintenance Company (L.L.C)	--	18 656 982
	–	**18 656 982**

14. Debtors and other debit balances

	30 June 2025	31 December 2024
	EGP	EGP
Tax authority–value add tax	46 386 724	39 975 710
Deposits with others	13 608 635	13 608 635
Prepaid expenses	54 213 696	4 791 396
With-holding taxes	7 348 570	14 970 384
Cash cover letter of guarantee (Note No.30)	4 864 500	4 864 500
Letter of Credits	5 915 146	16 582 580
Advance payments	33 414 870	15 378 964
Accrued revenue	27 481 097	--
Employees borrowings	1 677 230	994 251
Other debit balances	6 754 684	6 478 741
(less):	**201 665 152**	**117 645 161**
Expected credit loss	(1 741 397)	(1 886 753)
	199 923 755	**115 758 408**

15. Cash and cash equivalent

	30 June 2025	31 December 2024
	EGP	EGP
Current accounts - Local currency	69 676 203	31 161 865
Current accounts - foreign currency *	27 044 649	151 980 384
Time deposits - maturing for three months	118 130 426	61 378 893
Cash on hand	1 055 782	--
	215 907 060	**244 521 142**

* The current accounts – foreign currency included blocked amounts USD 31 800 covered letter of credit and Amount USD 33 881 covered the exportation.

16. Issued and 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 member meeting No (186) held on September12, 2017 and authorized by GAFI on September 25, 2017, which decided to increase the capital with the amount EGP 301 220 000 divided to 30 122 000 shares at EGP 10 per share, and the issuing capital became EGP 600 000 000 as registered in the commercial register on 31 January 2018 No. 4955.
- based on the decision of the extraordinary general assembly held on 28 of March 2018 distribute free stocks about stock for five stocks holders from the retained earnings and the number of shares become 72 000 000 instead of 60 000 000 shares and the paid capital become 720 000 000 Egyptian pounds instead of 600 000 000 Egyptian pound as registered in the commercial register on 29 May 2018 No. 23904.
- Based on an extra ordinary general assembly on June 25,2023, it was decided to increase the Capital through free shares amounted EGP 960 000 000 and it was register in the commercial registry on October 3,2023.

- The company's issued capital will be EGP 1 500 000 000, and the company's issued and paid-up capital will be EGP 960 000 000, distributed among the shareholders as follows:

	No. of shares	Par Value	Capital Issuing	Paid up capital	Percentage
		EGP	EGP	EGP	%
NCB Capital Company (NBE)	19 711 013	10	197 110 130	197 110 130	%20.53
Egyptian Federation for Construction and Building Contractors	14 409 599	10	144 095 990	144 095 990	%15.01
Egyptian Company for investment projects	9 668 127	10	96 681 270	96 681 270	%10.07
Egyptian Kuwaiti investment company	9 485 607	10	94 856 070	94 856 070	%9.88
National Investment Bank	9 194 131	10	91 941 310	91 941 310	%9.58
Egypt Company for Life Insurance	8 998 451	10	89 984 510	89 984 510	%9.37
QNB for finance services	6 428 685	10	64 286 850	64 286 850	%6.70
Individuals and IPO	18 104 387	10	181 043 870	181 043 870	%18.86
	96 000 000		**960 000 000**	**960 000 000**	**%100**

17. Reserves

	Legal reserve	General reserve	Capital reserve	Total
	EGP	EGP	EGP	EGP
Balance at beginning of period	**200 572 069**	**10 216 984**	**7 932 820**	**218 721 873**
Charged during the period	10 787 565	--	--	**10 787 565**
Balance as of 30 June, 2025	**211 359 634**	**10 216 984**	**7 932 820**	**229 509 438**

18. Deferred Tax Assets / (Liabilities)

	Tax Assets		Tax Liabilities	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	EGP	EGP	EGP	EGP
Balance at the beginning of the period / year	**10 090 714**	**10 090 714**	**56 737 977**	**56 995 405**
Assets (liabilities) deferred tax movements	--	--	3 117 269	(257 428)
Balance at the ending of the period / year	**10 090 714**	**10 090 714**	**59 855 246**	**56 737 977**

19. Provisions

	Balance as of 1 January 2025	Used during the year	Provision No longer required	Balance as of 30 June, 2025
	EGP	EGP	EGP	EGP
Tax provision	**4 496 731**	--	--	**4 496 731**
Provision for current claims and litigations according to legal opinion	**1 269 174**	--	--	**1 269 174**
Provision for claims	**91 913 759**	--	5 517 493	**97 431 252**
	97 679 664	--	**5 517 493**	**103 197 157**

- 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.

20. Suppliers and notes payable

	30 June, 2025	31 December, 2024
	EGP	EGP
Suppliers	725 290 079	295 573 709
Notes payables	--	255 370 995
	725 290 079	**550 944 704**

21. Facilities

- The company has facilities in 30 June, 2025 amounted EGP 5 653 283 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP 200 000 000.

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22. Creditors and other credit balances

	30 June, 2025	31 December, 2024
	EGP	EGP
Tax authority	5 678 017	5 402 178
Value added tax on Cement	33 008 137	28 290 161
Production development fees	3 292 304	3 104 179
Retentions	12 675 695	13 078 670
Syndicate Stamps	6 916 478	6 961 202
Employees services association	374 177	240 272
Social insurance authority	4 036 161	1 238 522
Accrued for suppliers (Cement transportation)	150 959	2 643 917
Accrued expenses	16 810 119	1 247 421
Credit – Dividends	51 656 341	882 900
Solidarity contribution of medical insurance accrual	11 318 944	7 164 516
Other credit balances	10 651 427	13 718 850
	156 568 759	**83 972 788**

23. Cost of Sales

	First six months		Three months ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	EGP	EGP	EGP	EGP
Depreciation	17 416 445	20 302 130	9 730 379	8 693 425
Governmental fees and technical management fees	37 560 811	35 412 174	19 415 522	17 199 710
Packing materials	155 760 772	130 654 954	59 326 407	51 705 631
Electricity and power	644 127 182	528 767 731	304 900 182	221 883 111
Indirect cost *	195 882 883	141 854 481	108 561 095	64 143 664
	1 050 748 093	**856 991 470**	**501 933 585**	**363 625 541**

* Indirect cost includes the amount of self-operation for the factory.

24. Selling and marketing expenses

	First six months		Three months ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	EGP	EGP	EGP	EGP
Salaries and wages	8 735 821	6 752 303	4 415 659	3 504 844
Depreciation	74 979	93 491	33 999	(94 725)
Stamps	30 030	59 391	2 800	39 328
Advertising and publicity	9 428 085	--	4 537 802	--
Traveling and Transportation expenses	118 095	138 636	9 275	69 432
Others expenses	737 053	1 725 944	392 238	943 682
	19 124 063	**8 769 765**	**9 391 773**	**4 462 561**

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25. General and administrative expenses

	First six months		Three months ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	EGP	EGP	EGP	EGP
Depreciation	2 075 124	1 507 314	1 029 915	942 667
Salaries and wages	27 530 031	20 724 483	16 310 538	10 826 493
Donations	5 313 387	2 648 493	3 386 539	614 242
Insurance Expenses	507 138	72 502	185 768	69 196
Public relations and advertisement expenses	232 110	386 161	90 226	150 465
Other services expenses	1 628 094	1 705 963	646 151	809 565
Training, researches and consulting expenses	845 164	1 041 678	516 070	663 578
Medical and pension funds	802 812	1 659 371	707 593	1 190 349
Transportation and travelling expenses	1 173 508	1 004 098	390 528	395 979
Material and supplies	811 688	768 926	399 364	308 835
residential rents and transportation expenses	61 618	116 000	--	48 325
Solidarity contribution of medical insurance	4 154 828	2 688 554	2 072 981	1 156 202
Other expenses	13 702 171	6 425 640	5 921 980	2 429 463
	58 837 673	**40 749 183**	**31 657 652**	**19 605 359**

26. Revenue from investments in associate and subsidiaries companies

	First six months		Three months ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	EGP	EGP	EGP	EGP
Qena Cement - dividends	30 534 552	7 575 626	--	--
Upper Egypt – dividends	7 067 095	7 006 802	467 099	--
Beton - Attendance Allowance	3 000	4 000	3 000	4 000
	37 6047 647	**14 586 428**	**470 099**	**4 000**

27. Other Revenues

	First six months		Three months ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	EGP	EGP	EGP	EGP
Revenue from Transport, shipping, handling	47 911 884	28 315 127	22 951 217	13 192 088
Revenue from spare parts	--	1 143 259	--	710 762
Metal sales revenue	3 140 374	--	2 090 063	
Miscellaneous revenue	1 446 000	432 497	1 446 000	(710 762)
	52 498 258	**29 890 883**	**26 487 279**	**13 192 088**
(Less):				
Minning activities cost	(1 877 982)	--	(1 228 689)	
Transport, shipping and handling cost	(47 735 866)	(28 589 230)	(22 890 856)	(13 104 552)
spare parts cost	--	(792 160)	--	--
	2 884 410	**509 493**	**2 367 735**	**87 536**

28. Earnings per share (EGP / Share)

	30 June, 2025	30 June, 2024
	EGP	EGP
Net profits for the period	347 467 349	81 301 611
Employees profit share	(33 009 398)	(4 620 580)
Board of directors' bonus	(24 908 458)	(1 758 522)
Remaining profits	289 549 493	**74 922 509**
Number of shares	96 000 000	96 000 000
Earnings per share	**3.02**	**0.78**

	EGP	EGP
Expected average number of shares: = 96 000 000 ×6/6	96 000 000	96 000 000

30. Tax Situation

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.

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.

29. Tax Situation (Followed):

6. Year 2020/2023

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 period.

2. The authority checked that period electronically and the examination revealed differences amounting to (2 362 384) and the payment has not been made to date.

3. Year 2023 / 2024

-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 that period.

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 and Waiting to obtain the executive formula to settle the amount with the interest.

3. Years from 2011/2020

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

4. Period from 1/12/2020 to 31/12/2023

- The company submits tax returns on time.
- The mission sent a notification of the electronic inspection on the system, and the requirements were submitted. We are awaiting the completion of the inspection.

5. Year 2024

- 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 to2023

-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 05 for the year 2022. 35% was paid and a request was submitted to waive the remaining amount, as well as a late payment fee for the year 2023 in the amount of 2,035,528 Egyptian pounds, of which 500,000 Egyptian pounds were paid.

2. Year 2024

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

30. Tax Situation (Followed):

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 Real Estate Tax Authority issued Circular No. 5 of 2022 on September 6, 2022, outlining the necessary controls and procedures for implementing the aforementioned Cabinet decision. This circular includes the procedures to be followed by the tax offices in the real estate tax zones.
-The company has stated that it has submitted a request along with the required documents in accordance with the circular. However, to date, the company has not received approval for its request.

31. Contingent liabilities

	Letter of grantee amount	Covered amount	Uncovered amount
The name of bank issued letter of grantee	EGP	EGP	EGP
National bank of Egypt	4 864 500	4 864 500	--

Translation of financial statements
Originally issued in Arabic

32. 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.

- On October 23, 2024, Prime Ministerial Decree No. (3527) of 2024 was issued to amend certain provisions of the Egyptian Accounting Standards, and to issue Egyptian Accounting Standard No. 51 (Financial Statements in Hyperinflationary Economies). This standard shall be applied to the financial statements of the entity starting from the beginning of the financial period in which the economy is classified as hyperinflationary, and shall be activated pursuant to a decision issued by the Prime Minister.

33. Important Events

- On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 225 basis points to 25.00%, 26.00%, and 25.50%, respectively. It also decided to cut the credit and discount rate by 225 basis points to reach 25.50%.
- On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to 24.00%, 25.00%, and 24.50%, respectively. It also decided to cut the credit and discount rate by 100 basis points to reach 24.50%. This decision reflects the latest economic developments and outlook since the last Monetary Policy Committee meeting.
- The impact of the current uncertain economic environment is an estimate, and management will continue to assess the current situation and its related effects on an ongoing basis.

Managing Director	Chief Financial Officer	Financial Manager
Hassan Gabry	Mahmoud Karam	Adel Attia Mohamed