

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

Consolidated Interim Financial Statements
For The Period Ended September 30, 2025
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, 2025 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) of September 30, 2025 and of financial performance and its cash flows for the nine-month then ended in accordance with the Egyptian accounting standards.

Cairo, November 12, 2025

Auditor

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

Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2025

Translation of financial statements
Originally issued in Arabic

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION			
Assets	Notes	30 September 2025	31 December 2024
Non-current Assets		EGP	EGP
Fixed assets – Net	(5)	1 985 433 026	1 924 408 223
Projects under construction	(6)	67 471 416	128 970 137
Assets right to use	(7)	18 077 264	20 113 145
Investments in associates	(8)	19 169 109	26 239 204
Goodwill		481 159 424	481 159 424
Intangible assets	(9)	203 139 276	209 956 442
Deferred tax assets	(17)	10 090 714	10 090 714
Total non-current assets		2 784 540 229	2 800 937 289
Current assets			
Inventory	(10)	1 645 422 475	1 450 609 362
Accounts receivable	(11)	141 244 412	127 080 448
Debtors and other debit balances	(12)	447 139 769	373 056 083
Assets held for sale		1 618 400	1 618 400
Cash on hand and at banks	(13)	1 685 566 335	515 049 179
Total current assets		3 920 991 391	2 467 413 472
Total assets		6 705 531 620	5 268 350 761
Equity			
Issued & paid-up capital	(14)	960 000 000	960 000 000
Reserves	(15)	229 509 438	218 721 873
Retained earnings		350 022 603	259 224 436
Net profit for the period		1 328 505 160	237 678 745
Total equity (company's shareholders)		2 868 037 201	1 675 625 054
Non- controlling shareholders interests	(16)	862 140 233	503 511 771
Total equity		3 730 177 434	2 179 136 825
Non-current liabilities			
Lease contract liability	(7-B)	47 090 312	42 127 609
Long term facilities		--	254 613 691
Deferred tax liabilities	(17)	328 972 784	323 736 181
Total non-current liabilities		376 063 096	620 477 481
Current liabilities			
Provisions	(18)	169 794 550	143 011 579
Credit facilities	(19)	78 266 368	549 964 050
Suppliers and notes payable		1 050 010 405	1 392 442 931
Receivables – advanced payments		394 299 814	124 377 673
Lease contract liability	(7-A)	1 371 432	3 163 546
Creditors and other credit balances	(20)	380 535 431	157 207 893
Income tax payable	(21)	525 013 090	98 568 783
Total current liabilities		2 599 291 090	2 468 736 455
Total liabilities		2 975 354 186	3 089 213 936
Total equity and liabilities		6 705 531 620	5 268 350 761

- The accompanying notes are an integral part of the Consolidated Interim financial statements.
- Limited Review Report Attached.

Managing Director

Hassan Gabry

Chief Financial Officer

Mahmoud Karam

Financial Manager

Adel Attia Mohamed

Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2025

CONSOLIDATED INTERIM STATEMENT OF INCOME (Profit and Loss)

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	nine-months ended in		three-months ended in	
Notes	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	EGP	EGP	EGP	EGP
Net Sales	6 764 484 923	4 105 257 897	2 886 253 402	1 808 475 415
(Less):				
Cost of Sales				
Gross Profit	(22) (4 209 165 951)	(3 691 212 848)	(1 595 595 916)	(1 633 889 736)
Selling and marketing expenses	2 555 318 972	414 045 049	1 290 657 486	174 585 679
General and administrative expenses	(23) (69 584 620)	(29 140 223)	(25 584 592)	(10 636 942)
Other Revenues /(Expenses)	(24) (171 380 420)	(140 354 868)	(56 947 137)	(54 238 783)
Provisions charged	(25) 37 665 443	1 981 880	29 651 758	2 406 807
Total	(68 686 134)	(16 105 045)	(61 847 018)	(11 674 558)
Net operating Income	(271 985 731)	(183 618 256)	(114 726 989)	(74 143 476)
Add/(Less):	2 283 333 241	230 426 793	1 175 930 497	100 442 203
Financial expenses				
Operating lease – Interest	(47 096 357)	(164 747 035)	(2 264 097)	(60 079 058)
Financing lease – Interest	(4 956 313)	(2 523 416)	(1 677 410)	(785 021)
Amortization assets right to use	(177 269)	(170 234)	(55 607)	(63 737)
Expected credit loss (Charged)	(2 035 881)	(1 347 113)	(578 627)	(588 750)
Foreign currency exchange	(2 830 274)	(2 147 475)	(1 403 509)	(651 732)
Capital gains	(35 904 456)	13 186 700	2 957 185	(1 742 618)
Credit interest	809 530	–	809 530	–
Net profits for the period before Income Taxes	59 528 966	7 529 517	46 119 737	3 765 056
Add/(Less):	2 250 671 187	80 207 737	1 219 737 699	40 296 343
Income Tax				
Deferred Tax	(21) (533 654 171)	(29 620 195)	(291 875 485)	(6 519 203)
Net profits after income taxes and before non-controlling shareholders' profits	(5 236 603)	451 894	(209 263)	329 812
Distributed as follow: -	1 711 780 413	51 039 436	927 652 951	34 106 952
Controlling shareholders'				
Non-controlling Shareholders' interest profits / (losses)	1 328 505 160	52 157 890	728 545 891	21 713 463
	383 275 253	(1 118 454)	199 107 060	12 393 489
	1 711 780 413	51 039 436	927 652 951	34 106 952

- The accompanying notes are an integral part of the Consolidated Interim financial statements.

Managing Director

Hassan Gabry

Chief Financial Officer

Mahmoud Karam

Financial Manager

Adel Attia Mohamed

Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2025

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CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	nine-months ended in		three-months ended in	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Net profits for the period after taxes	EGP 1 711 780 413	EGP 51 039 436	EGP 927 652 951	EGP 34 106 952
Add:				
Other comprehensive income	--	--	--	--
Total Comprehensive income for the period	1 711 780 413	51 039 436	927 652 951	34 106 952
Distributed as follow:				
Controlling shareholders'	1 328 505 160	52 157 890	728 545 891	21 713 463
Non-controlling shareholders' interest profits / (losses)	383 275 253	(1 118 454)	199 107 060	12 393 489
	1 711 780 413	51 039 436	927 652 951	34 106 952

- The accompanying notes are an integral part of the Consolidated Interim financial statements.

Managing Director

Hassan Gabry



Chief Financial Officer

Mahmoud Karam



Financial Manager

Adel Attia Mohamed



CONSOLIDATED INTERIM STATEMENT OF CHANGE IN EQUITY

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Hassan Gabry

Mahmoud Karam

Adel Attia Mohamed

Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended September 30, 2025

Translation of financial statements

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS			
	Notes	30 September 2025 EGP	30 September 2024 EGP
Cash Flows from Operating Activities			
Net Profits before income taxes		2 250 671 187	80 207 737
Adjustments to reconcile net profit to cash flows			
Depreciation and amortization	(22,23,24)	117 211 401	104 512 035
Amortization of assets right to use		2 035 881	1 347 115
Exchanged Foreign currency		35 904 456	(13 186 700)
Operating lease – interest		4 956 313	2 693 650
Finance lease – interest		177 269	–
Expected credit loss (charged)		2 830 274	2 147 475
Provision charged		68 686 134	16 105 045
Financial expenses		47 096 357	164 747 035
Credit interests		(59 528 966)	(7 529 517)
Capital gains		(809 530)	–
Net operating profits		<u>2 469 230 776</u>	<u>351 043 875</u>
Change in inventory	(10)	(194 813 113)	137 469 065
Change in accounts receivables and notes receivables	(11)	(16 209 743)	(6 884 460)
Change in debtors and other debit balances	(12)	(74 868 181)	(90 172 842)
Change in receivables – advance payments		269 922 141	88 402 906
Change in suppliers and notes payable		(342 432 526)	486 556 929
Change in creditors and other credit balances	(20)	153 387 602	(78 810 795)
Paid from operating lease contracts		(1 962 993)	(1 378 869)
Cash flows from operating activities		<u>2 262 253 963</u>	<u>886 225 809</u>
Income taxes paid		(107 209 864)	(38 752 747)
Provisions used		(41 903 163)	–
Net cash from operating activities		<u>2 113 140 936</u>	<u>847 473 062</u>
Cash flows from investing activities			
(Payments) for purchase fixed assets	(5)	(171 399 438)	(81 569 252)
(Payments) for purchase of intangible assets		(19 600)	(57 500)
Change in projects		61 498 721	–
Receipts from investments designated at fair value through profit or loss		–	15 021 897
Dividends from Investments in associates		7 070 095	7 010 802
Credit interest collected		59 528 966	7 529 517
Loss on disposal of fixed assets		809 530	–
Change in Time deposits (maturing after three months)	(13)	(542 266 050)	52 937 933
Net cash flow (used in) / from investing activities		<u>(584 777 776)</u>	<u>873 397</u>
Cash flows from financing activities			
Change in credit facilities	(19)	(726 311 373)	(103 265 005)
Paid debit interests		(49 071 923)	(171 725 573)
Adjustments to retained earnings		(1 055 610)	–
Dividends distribution paid		(87 768 692)	(32 371 703)
Net cash flow (used in) financing activities		<u>(864 207 598)</u>	<u>(307 362 281)</u>
Net changes in cash and cash equivalents		<u>664 155 562</u>	<u>540 984 178</u>
Exchange Foreign currency		(35 904 456)	13 186 700
Cash and cash equivalent – beginning of the period		<u>349 587 261</u>	<u>86 500 732</u>
Cash and cash equivalent – end of period		<u>977 838 367</u>	<u>640 671 610</u>
For the purpose of preparing a statement of cash flows cash and cash equivalents are represented in the following:			
Cash and cash equivalent		1 685 566 335	641 722 197
Time deposits - maturing after three months		(707 727 968)	(1 050 587)
Cash and Cash Equivalent – End of the period		<u>977 838 367</u>	<u>640 671 610</u>

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

Managing Director

Hassan Gabry

Chief Financial Officer

Mahmoud Karam

Financial Manager

Adel Attia Mohamed

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, 2025 were authorized for issuance in accordance with a resolution of the board of directors on November 12, 2025

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 subsidies as follows:

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

1. About the Company (follow)

1.6. Approval of the Financial Statements (follow)

Misr Cement - Beton (S.A.E)

- 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 Mofy – 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 (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 Mofy – 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 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 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 (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) as(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 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 subsidiary's 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 follow:

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 does 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 Leased 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 year 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 year 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 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 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, 2025	Land EGP	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures & computers EGP	Enhancements of Rental Places EGP	Total EGP
Cost at January 1, 2025		7 543 974	1 046 457 333	2 500 169 398	142 314 603	40 331 210	66 662 800	3 792 188	3 807 271 506
Additions during the period		--	9 864 080	159 232 792	4 066 730	605 971	3 122 497	--	176 892 070
Disposals during the period		--	(11 383 393)	(2 071 011)	--	--	(595 595)	--	(14 049 999)
Cost at September 30, 2025		7 543 974	1 044 938 020	2 657 331 179	146 381 333	40 937 181	69 189 702	3 792 188	3 970 113 577
Accumulated Depreciation at January 1, 2025		--	417 747 897	1 294 617 489	104 422 261	19 940 460	43 609 260	2 525 916	1 882 863 283
Depreciation for the period		--	21 536 648	68 070 306	7 634 771	4 707 588	8 084 735	340 587	110 374 635
Depreciation of disposals during the period		--	(4 885 374)	(3 080 037)	--	--	(591 956)	--	(8 557 367)
Accumulated Depreciation at September 30, 2025		--	434 399 171	1 359 607 758	112 057 032	24 648 048	51 102 039	2 866 503	1 984 680 551
Net book value at September 30, 2025		7 543 974	610 538 849	1 297 723 421	34 324 301	16 289 133	18 087 663	925 685	1 985 433 026

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

	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures & computers EGP	Leasehold improvements EGP	Total EGP
Depreciated asset that still used	167 619 905	650 632 406	16 822 256	10 655 971	30 735 381	1 689 326	878 155 245

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5. Fixed assets (follow)

December 31, 2024	Land EGP	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures & computers EGP	Enhancements of Rental Places EGP	Total 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 year	--	2 477 925	32 542 467	2 901 881	9 602 773	16 556 744	618 750	64 700 540
Exclusions during the year	--	--	--	(517 044)	--	--	--	(517 044)
Cost at December 31, 2024	7 543 974	1 046 457 333	2 500 169 398	142 314 603	40 331 210	66 662 800	3 792 188	3 807 271 506
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 year	--	27 480 027	76 395 866	12 041 931	6 439 468	8 155 495	371 793	130 884 580
Accumulated exclusions	--	--	--	(440 584)	--	--	--	(440 584)
Accumulated Depreciation at December 31, 2024	--	417 747 897	1 294 617 489	104 422 261	19 940 460	43 609 260	2 525 916	1 882 863 283
Net book value at December 31, 2024	7 543 974	628 709 436	1 205 551 909	37 892 342	20 390 750	23 053 540	1 266 272	1 924 408 223

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

	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures & computers EGP	Leasehold improvements EGP	Total EGP
Depreciated asset that still used	24 367 524	122 241 975	16 808 397	5 054 527	27 316 479	1 689 325	197 478 227

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6. Projects under construction

	30 September 2025	31 December 2024
	EGP	EGP
Buildings and constructions	58 170 736	116 512 896
Machinery and equipment	289 151	--
Advanced payments	--	1 330 539
Information Systems	10 037 199	12 152 372
	<u>68 497 086</u>	<u>129 995 807</u>
(Less):		
Impairment for value of projects under constructions	(1 025 670)	(1 025 670)
	<u>67 471 416</u>	<u>128 970 137</u>

7. Assets right to use

1- Operating assets

	30 September 2025	31 December 2024
	EGP	EGP
Cost as of January 1, 2025	28 055 842	16 576 294
Additions during the period / year	--	11 479 548
Total cost as of September, 30 ,2025	<u>28 055 842</u>	<u>28 055 842</u>
Accumulated amortization as of January 1, 2025	7 942 697	5 730 559
Amortization of the period / year	2 035 881	2 212 138
Accumulated amortization as of September, 30 ,2025	<u>9 978 578</u>	<u>7 942 697</u>
Net book value as of September, 30 ,2025	<u>18 077 264</u>	<u>20 113 145</u>

2- Operating lease liabilities

	30 September 2025	31 December 2024
	EGP	EGP
Lease liabilities - current portion	1 371 432	3 163 546
Lease liabilities – non-current portion	47 090 312	42 127 609
	<u>48 461 744</u>	<u>45 291 155</u>

8. Investments in associate companies

	Percentage of ownership	30 September 2025	31 December 2024
		EGP	
South of Upper Egypt Company of sacks manufacturing	20%	19 169 109	26 239 204
		<u>19 169 109</u>	<u>26 239 204</u>

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9. Intangible assets

	30 September 2025	31 December 2024
	EGP	EGP
Cost		
Cost as of January 1, 2025	288 722 810	286 916 733
Additions during the period / year	19 600	1 806 077
Ending Balance for the period / year	288 742 410	288 722 810
Accumulated amortization		
Accumulated amortization as of January 1, 2025	78 766 368	69 214 074
Amortization during the period / year	6 836 766	9 552 294
Ending Balance for the period / year	85 603 134	78 766 368
Net book value at the end of the period / year	203 139 276	209 956 442

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

10. Inventory

	30 September 2025	31 December 2024
	EGP	EGP
Raw materials and packing	304 969 737	266 830 742
Gasoline, Mazut & coal	523 899 898	360 066 302
Spare parts	485 826 407	541 314 230
Work in progress	248 364 268	196 087 459
Goods at transit	1 642 606	1 045 626
Finished goods	80 719 559	85 265 003
	1 645 422 475	1 450 609 362

11. Accounts receivable and notes receivable

	30 September 2025	31 December 2024
	EGP	EGP
Accounts receivable	153 549 567	137 339 824
(Less):		
Expected credit loss	(12 305 155)	(10 259 376)
	141 244 412	127 080 448

12. Debtors and other debit balances

	30 September 2025	31 December 2024
	EGP	EGP
Advanced payment – suppliers	61 878 561	73 360 986
Tax authority– value added tax	72 443 122	62 350 719
Customs Authority	36 423 686	–
Tax authority– withholding taxes	33 414 417	38 272 573
Deposits with others	44 185 343	41 946 032
Prepaid expenses	35 545 974	13 786 485
Cover of letter of guarantee	6 334 084	4 884 422
Letter of credit	5 788 656	20 543 046
Accrued revenue	118 805 226	97 450 364
Other debit balances	38 079 566	25 435 827
	452 898 635	378 030 454
(Less):		
Expected credit loss	(5 758 866)	(4 974 371)
	447 139 769	373 056 083

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13. Cash on hand and at banks

	30 September 2025	31 December 2024
	EGP	EGP
Cash on hand	2 123 494	24 998
Current accounts in banks	330 503 648	287 933 370
Time deposit (maturing during three months)	645 211 225	61 378 893
Time deposits (maturing more than three months)	707 727 968	165 461 918
Checks under collection	—	250 000
	1 685 566 335	515 049 179

14. 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
Mohamed Ashraf Omar Omar	%15.40	14 788 000	147 880 000
Egyptian Federation for Construction and Building Contractors	%15.01	14 409 599	144 095 990
Misr Beni Suef Cement Company	%12.52	12 015 234	120 152 340
Egyptian Company for Investment Projects	%10.07	9 668 127	96 681 270
Kuwaiti Egyptian Investment Company	%9.88	9 485 607	94 856 070
National Investment Bank	%9.58	9 194 131	91 941 310
Misr Life Insurance Company	%9.37	8 998 451	89 984 510
QNB Financial Services Company	%6.70	6 428 685	64 286 850
Individuals and Public Offering	%11.47	11 012 166	110 121 660
	% 100	96 000 000	960 000 000

15. Reserves

	Legal reserve	General reserve	Capital reserve	Total
	EGP	EGP	EGP	EGP
Beginning Balance for the period	200 572 064	10 216 984	7 932 820	218 721 873
Reserves during the period	10 787 565	—	—	10 787 565
Ending Balance for the period	211 359 634	10 216 984	7 932 820	229 509 438

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16. Non-Controlling shareholder's interests

First: Change in non-controlling interest shareholders

	30 September 2025	31 December 2024
	EGP	EGP
Beginning Balance for the period / year	503 511 771	476 924 718
Non-controlling interest -share in net profit for the period / year	383 275 253	33 704 692
Adjustments on retained earning	(1 055 610)	-
Non-controlling shareholders share in dividends distribution	(23 591 181)	(7 117 639)
Ending balance for the period / year	862 140 233	503 511 771

Second: Non-Controlling shareholder's interests

	Percentage of ownership %	30 September 2025	31 December 2024
		EGP	EGP
Misr Cement Minya shareholders			
Safari limited for investments	30.72 %	668 169 684	390 228 049
Industrial Fund for Developing countries	4.64 %	100 898 815	58 927 468
FLSmith	4.27 %	92 957 641	54 289 621
National Company for development and trading	--	112 675	65 805
Others	--	676	395
Misr Cement - Beton (S.A.E) shareholders			
Others	0.01 %	742	433
		862 140 233	503 511 771

17. Deferred Tax Assets / (Liabilities)

	<u>Assets taxes</u>		<u>Liabilities taxes</u>	
	30/9/2025	31/12/2024	30/9/2025	31/12/2024
	EGP	EGP	EGP	EGP
Beginning balance for the period / year	10 090 714	10 090 714	323 736 181	324 033 856
Assets and (liabilities) movements-deferred tax	-	-	5 236 603	(297 675)
Ending balance for the period / year	10 090 714	10 090 714	328 972 784	323 736 181

18. Provisions

	Balance as of 1 January 2025	Charged during the period	Provisions used	30 September 2025
	EGP	EGP	EGP	EGP
Provision for other claims and litigations	26 035 817	-	-	26 035 817
Provision for claims	116 975 762	68 686 134	(41 903 163)	143 758 733
	143 011 579	68 686 134	(41 903 163)	169 794 550

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.

19. Credit facilities

The balance of the debit current account on 30 September 2025 of Qena Cement Company, has facilities amounted 78 266 368 EGP the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to 1 046 000 000 EGP.

20. Creditors and other credit balances

	30 September 2025	31 December 2024
	EGP	EGP
Tax authority	23 120 526	17 630 266
Retention	16 951 563	13 078 670
Syndicate Stamps	6 915 534	6 961 202
Employees services association	396 610	240 272
Social insurance authority	5 705 264	4 986 701
Tax authority- value add tax	117 536 654	33 591 987
Production development fees	4 142 174	3 104 179
Accrued debit interests	736 946	2 712 512
Accrued expenses	99 520 056	29 985 150
Creditors - Dividends	75 326 144	3 410 642
Other- creditors	30 183 960	41 506 312
	380 535 431	157 207 893

21. Income tax payable

	30 September 2025	31 December 2024
	EGP	EGP
Beginning balance for the period / year	98 568 783	56 465 572
Accrued income tax for the period / year	533 654 171	95 884 360
Payments to tax authority	(107 209 864)	(53 781 149)
	525 013 090	98 568 783

22. Cost of sales

	30 September 2025	30 September 2024
	EGP	EGP
Depreciation and amortization	107 369 108	114 164 222
Governmental fees and technical management contract fees	297 337 646	147 967 656
Electricity and power	2 465 027 797	2 257 524 748
Raw materials and packaging materials	481 623 053	374 950 438
Rents	19 010 976	14 487 651
Indirect costs	838 797 371	782 118 133
	4 209 165 951	3 691 212 848

23. Selling and marketing expenses

	30 September 2025	30 September 2024
	EGP	EGP
Depreciation	529 242	580 296
Salaries and wages	28 167 675	22 195 513
Others	40 887 703	6 364 414
	69 584 620	29 140 223

24. General and administrative expenses

	30 September 2025	30 September 2024
	EGP	EGP
Depreciation And Amortization	9 173 334	7 995 142
Salaries and wages	71 114 912	65 800 852
Donations	7 087 165	6 002 272
rents	702 780	--
Insurance expenses	1 247 076	--
Others	82 055 153	60 556 602
	171 380 420	140 354 868

25. Other Revenues / (Expenses)

	30 September 2025	30 September 2024
	EGP	EGP
Revenue from transport, shipping and handling	185 748 725	43 283 571
Revenue from spare parts	--	1 143 259
rent	--	903 656
Others	41 932 279	1 189 509
	227 681 004	46 519 995
Transport shipping and handling expenses	(185 605 476)	(43 411 028)
Spare Parts Cost	(1 023 696)	(792 160)
Others	(3 386 389)	(334 927)
	37 665 443	1 981 880

26. 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	1 292 328	--
Qena company for management and maintenance	--	128 473 000
Misr Cement Minya	4 835 711	125 264 533
Misr Cement Minya	96 042 783	--

Also, the transaction between the related parties is 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 2025 EGP
Misr Insurance	Shareholder	Insurance installments	28 456 753
South of upper Egypt company (main supplier)	Associate	Sacks supplying	116 708 493

27. Capital Commitments

	Currency	Contract amount	Balance as of 30 September 2025
Misr Cement Minya	EGP	24 597 953	1 245 860
			1 245 860

28. 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
	EGP	EGP
Misr Cement Minya	7 492 384	Non-fully covered
Misr Cement - Qena	4 864 500	Fully covered

29. 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.

3. Years from 2008/2019

The tax audit for this period has been completed, and all disputes have been settled.

4. Years from 2020/2024

The tax authority requested to audit the company for these years, and all required documents and data were submitted through the Tax Authority's electronic system

b) Salary tax

1. Years from beginning of the activity to 2022

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

2. Year 2023 / 2024

29. Tax Situation (Followed):

c) Value added tax (Sales Tax)

1. Years from beginning of the activity to 2007

The audit for that year has been completed, the assessed differences have been paid, and the dispute has been fully 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 period from 1/1/2008 to 5/3/2009, with the consequent effects and awaiting the execution order to settle the amount with the tax authority.

3. Years from 2011/2023

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

4. Year 2024:

The tax authority requested to audit the company for the year 2024, and all supporting documents have been uploaded to the electronic system; however, the audit has not yet been completed.

d) Development of the country's financial resources fees

1. Years from 5 May 2008 to 2023

-The Tax Office has reviewed the company's books and documents for that year, 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 for the year 2022. An amount of 35% has been paid, and a request for waiver of the remaining balance has been submitted. In addition, a delay penalty for late payment related to the year 2023 amounting to EGP 2,035,528 was incurred, out of which EGP 500,000 has been paid.

2. Year 2024

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

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

On August 30, 2022, a Cabinet decision was issued stipulating that the Ministry of Finance shall bear the full amount of real estate tax due on properties used in certain activities, effective from January 1, 2022, for a period of three years. Subsequently, on February 1, 2024, the Prime Minister issued Decree No. 3 of 2024 extending the validity of Decree No. 61 of 2022 until the end of December 2026, subject to specific conditions. The cement industry was listed under item No. 12 among the activities for which the Ministry of Finance bears the real estate tax on properties used in the activity.

The Real Estate Tax Authority issued Circular No. 5 of 2022 on September 6, 2022, outlining the rules and procedures required to implement the aforementioned Cabinet decision, including the steps to be followed by local real estate tax offices. The company confirmed that it has submitted a formal request along with all required supporting documents in accordance with the circular; however, it has not yet received official approval.

29. Tax Situation (Followed):

The Tax situation for Misr Cement Minya

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.
- The company was notified through the Tax Authority's electronic system regarding the audit for the years 2020–2023, and the audit preparation is currently in progress. The company has submitted its tax returns within the statutory deadlines.

Second: Payroll tax and the like

- Payroll taxes for the year 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

- For the period from January 2016 to December 2019: The company was audited, the assessed differences were paid, and an amount of EGP 11,300,430 was referred to the Tax Evasion Control Authority; the matter is still pending.
- For the period from January 1, 2020, to November 30, 2020: The company was audited, the audit results were approved, and the assessed differences were paid.
- For the period from December 1, 2020, to December 31, 2024: The company was audited, the audit results were approved, and the assessed differences were paid.
- For the period from January 1, 2025, to September 30, 2025: The company is fully compliant with the provisions of Law No. 67 of 2016 and Law No. 206 of 2020, submitting its monthly tax returns within the statutory deadlines.

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 estimated for taxation according to Model 19 Stamp Duty for the years 2016 to 2019. A re-examination was carried out, which resulted in a tax difference amounting to 284,227 Egyptian Pounds. An objection was filed against the examination memorandum, and an internal committee was formed.
- The company was audited for the year 2020, and the resulting tax differences were paid.
- The company was notified through the Tax Authority's electronic system regarding the audit for the years 2021–2023, and the audit is currently in progress.

sixth: Property tax

- The company has paid the real estate taxes due for the year 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 year 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.

29. Tax Situation (Followed):

B. Salaries tax

Years from the Beginning of Activity until 2024

- 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 year to date.

C. Value add tax

Years from the Beginning of Activity until 2023

- 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 2024

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

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 2022/2024

The tax authority did not inspect the company for that year.

The Tax status for Misr Cement - Beton (S.A.E)

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 for the financial year ended 31/12/2023 within the legally prescribed deadline.
- For the period from 2009 to 2015, the tax examination was completed, and the Internal Committee approved the results, resulting in tax differences amounting to EGP 649,366 (Six hundred forty-nine thousand three hundred sixty-six Egyptian pounds only).
- For the period from 2016 to 2018, the tax re-examination was completed and approved, resulting in tax differences amounting to EGP 2,208,149 (Two million two hundred eight thousand one hundred forty-nine Egyptian pounds only), in addition to a separate assessment under Article 56 with tax differences amounting to EGP 230,629 (Two hundred thirty thousand six hundred twenty-nine Egyptian pounds only).

B. Salaries tax

- 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 year 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 year 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.

30. 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.

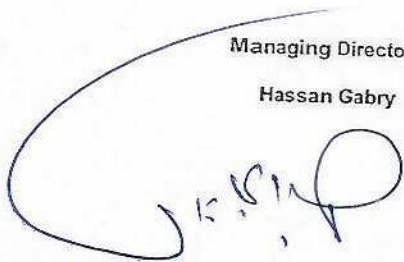
The Standards that were Reissued	Summary of the major amendments	Impact on the financial statements	Date of application
Amended Egyptian Accounting Standard No. 34 "Investments Property"	The fair value model application mechanism has been modified, adding that the profit or loss arising from a change in the fair value of investment property must be recognized in the list of profits or losses for the year 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 years 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 year 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 years 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.

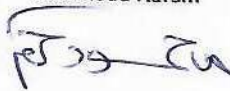
31. Important Events

- 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
Hassan Gabry



Chief Financial Officer
Mahmoud Karam



Financial Manager
Adel Attia Mohamed

