

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

Separate Financial Statements
For The Period Ended December 31, 2025
And Auditor's Report

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Auditor's Report

To: The Shareholders of MISR CEMENT (QENA) COMPANY (S.A.E)

Report for the separate financial statements

We have audited the accompanying separate financial statements of MISR CEMENT (QENA) COMPANY (SAE) which comprise the separate statement of financial position as at December 31, 2025 and the separate statements of income, separate comprehensive income, separate changes in equity and separate cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements

These Separate financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Egyptian Accounting Standards and relevant Egyptian laws. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and the relevant Egyptian laws and regulations. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of MISR CEMENT (QENA) COMPANY (S.A.E) as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements

Report for the legal and other regulatory requirements

The company maintains proper accounting records that comply with the laws and the company's articles of association and the Separate financial statements agree with the company's records, the inventory was counted by management in accordance with methods of practice.

The financial information included in the Board of Director's report, prepared in accordance with Law No.159 for the year 1981 and its executive regulations, is in agreement with the company's books of account, according to the limits of this information in books

Cairo, March 4, 2026.

Auditor

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

Misr Cement (Qena) Company (S.A.E)
Separate financial statements for the year ended 31 December, 2025

Translation of financial statements
Originally issued in Arabic

Separate Statement of Financial Position

	Note	<u>31 December, 2025</u>	<u>31 December, 2024</u>
		EGP	EGP
Non-current assets			
Fixed assets	(5)	417 547 087	388 172 306
Assets right to use	(6-A)	1 191 300	1 943 700
Intangible assets	(7)	501 199	1 048 269
Project under construction	(10)	15 311 781	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	(19)	1 120 324	10 090 714
Total non-current assets		<u>1 604 907 013</u>	<u>1 579 252 817</u>
Current assets			
Inventory	(11)	869 831 167	619 571 743
Due from related parties	(13-A)	25 403 941	34 950 685
Account receivables	(12)	--	10 453 629
Debtors and other debit balances	(14)	149 027 150	115 758 408
Financial Investments at Amortized Cost – Treasury Bills	(15)	595 224 852	--
Cash and cash equivalent	(16)	843 705 941	244 521 142
Total current assets		<u>2 483 193 051</u>	<u>1 025 255 607</u>
Total assets		<u>4 088 100 064</u>	<u>2 604 508 424</u>
Equity			
Issued and paid-up capital	(17)	960 000 000	960 000 000
Reserves	(18)	229 509 438	218 721 873
Retained earnings		187 358 886	112 535 283
Net Profit for the period / year		1 225 708 438	215 751 290
Total Equity		<u>2 602 576 762</u>	<u>1 507 008 446</u>
Non-current liabilities			
financing lease liability – non-current portion	(6-B)	865 903	1 547 971
Deferred tax liabilities	(19)	59 598 396	56 737 977
Facilities – long term	(22)	18 305 236	81 460 122
Total non-current liabilities		<u>78 769 535</u>	<u>139 746 070</u>
Current liabilities			
Provisions	(20)	47 485 705	97 679 664
Facilities	(22)	92 256 026	111 500 832
Receivables – advance payments		56 190 969	22 027 718
Suppliers and notes payable	(21)	723 468 500	550 944 704
Due to related parties	(13-B)	1 987 633	18 656 982
Creditors and other credit balances	(23)	118 822 430	83 972 788
financing lease liability – current portion	(6-B)	51 894	99 923
Income tax payable	(28)	366 490 610	72 871 297
Total current liabilities		<u>1 406 753 767</u>	<u>957 753 908</u>
Total liabilities and equity		<u>4 088 100 064</u>	<u>2 604 508 424</u>

- The accompanying notes are an integrated part of these Separate financial statements.
- Auditor's Report attached

Managing Director

Hassan Gabry

Acting Chief Financial Officer

Mahmoud Karam

Financial Manager

Adel Attia Mohamed

Misr Cement (Qena) Company (S.A.E)
Separate financial statements for the year ended 31 December, 2025

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Separate Statement of Income

	Note	31 December, 2025	31 December, 2024
		EGP	EGP
Net Sales		4 174 659 712	2 760 376 497
(Less):			
Cost of sales	(24)	(2 487 652 279)	(2 274 796 913)
Gross profit		1 687 007 433	485 579 584
Selling and marketing expenses	(25)	(25 982 948)	(19 182 089)
General and administrative expenses	(26)	(129 680 121)	(109 307 709)
Amortization of intangible assets	(7)	(547 070)	(955 201)
Board of directors' salaries, attendance and transportation allowances		(9 668 970)	(6 281 550)
Total expenses		(165 879 109)	(135 726 549)
Net Operating profits		1 521 128 324	349 853 035
Add / (Less):			
Other revenue	(27)	35 503 719	6 817 717
Finance expense		(13 639 064)	(68 426 603)
Amortization of assets right to use	(6-a)	(752 400)	(752 399)
financing lease interest		(226 732)	(233 971)
investments measured at fair value through profit or loss (FVTPL)		9 572 525	--
Returns on Financial Investments at Amortized Cost – Treasury Bills		8 525 509	--
Expected credit losses		(4 679 396)	(938 428)
Foreign currency exchange differences		(23 333 998)	16 783 663
Provision charged		(48 169 046)	(32 000 000)
Provisions no longer required		43 542 194	--
Credit interest		32 548 600	2 669 717
Revenue from investments in associate and subsidiaries companies	(29)	45 714 725	14 592 428
Net Profits for the year before Taxes		1 605 734 960	288 365 159
(Less):			
Income tax	(28)	(366 490 610)	(72 871 297)
Treasury bills tax		(1 705 102)	--
Deferred Tax		(11 830 810)	257 428
Net Profits for the year After Taxes		1 225 708 438	215 751 290
Earnings per share (EGP/Share)	(30)	11.24	1.89

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

Managing Director

Hassan Gabry

Acting Chief Financial Officer

Mahmoud Karam

Financial Manager

Adel Attia Mohamed

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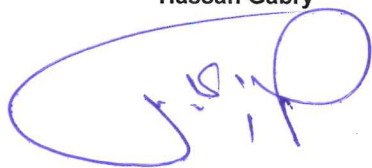
Separate Statement of Comprehensive Income

	<u>31 December, 2025</u>	<u>31 December, 2024</u>
	EGP	EGP
Net Profits for the year After Taxes	1 225 708 438	215 751 290
Add / (Less):		
Other comprehensive income	--	--
Total comprehensive income for the year	1 225 708 438	215 751 290

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

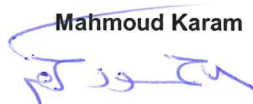
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Separate statement of Change in Equity

	31 December, 2024		31 December, 2025		Total EGP
	Issued and Paid up Capital EGP	Reserves EGP	Retained Earnings EGP	Net Profit for the year EGP	
Balance at 1 January 2024	960 000 000	214 931 399	97 399 893	75 809 474	1 348 140 766
Transferred to retained earnings	--	--	75 809 474	(75 809 474)	--
Transferred to reserves	--	3 790 474	(3 790 474)	--	--
Dividends Distribution	--	--	(56 883 610)	--	(56 883 610)
Total comprehensive income for the year	--	--	--	215 751 290	215 751 290
Balance on 31 December, 2024	960 000 000	218 721 873	112 535 283	215 751 290	1 507 008 446
Balance at 1 January 2025	960 000 000	218 721 873	112 535 283	215 751 290	1 507 008 446
Transferred to retained earnings	--	--	215 751 290	(215 751 290)	--
Transferred to reserves	--	10 787 565	(10 787 565)	--	--
Dividends Distribution	--	--	(130 140 122)	--	(130 140 122)
Total comprehensive income for the year	--	--	--	1 225 708 438	1 225 708 438
Balance on 31 December, 2025	960 000 000	229 509 438	187 358 886	1 225 708 438	2 602 576 762

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

Managing Director

Hassan Gabry



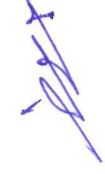
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Financial Manager

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Misr Cement (Qena) Company (S.A.E)
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Separate Statement of Cash Flow

	Note	<u>31 December, 2025</u> EGP	<u>31 December, 2024</u> EGP
Cash Flows from Operating Activities			
Net Profits for the period before taxes		1 605 734 960	288 365 159
Adjustment to reconcile net profit to cash flow from operating activities			
Depreciation of fixed assets	(5)	42 865 541	36 178 918
Amortization of intangible assets	(7)	547 070	955 201
Revenue from investments		(45 714 725)	(14 592 428)
Expected credit losses		4 679 396	938 428
Finance lease interest		226 732	233 971
Amortization of assets right to use	(6)	752 400	752 399
Provision charged		48 169 046	32 000 000
Returns on Financial Investments at Amortized Cost – Treasury Bills		(8 525 509)	
Provisions no longer required		(43 542 194)	--
Foreign currency exchange		23 333 998	(16 783 663)
Debit interest		13 639 064	68 426 603
Credit interest		(32 548 600)	(2 669 717)
Net Operating profits		1 609 617 179	393 804 871
Change in inventory	(11)	(250 259 424)	161 267 649
Change in related parties	(13)	(6 380 773)	(5 462 597)
Change in debtors and other debit balances	(14)	(30 892 517)	(31 305 962)
Change in account receivables	(12)	10 885 605	(10 453 629)
Change in receivables – advance payments		34 163 251	1 789 083
Change in suppliers	(21)	172 523 796	64 076 392
Change in creditors and other credit balances	(23)	33 127 866	(32 100 668)
Paid from financing lease contracts		(956 829)	(1 110 087)
Net cash Flows from operating activities		1 571 828 154	540 505 052
Income taxes paid		(72 871 298)	(32 191 018)
Provisions used		(54 820 811)	--
Cash flows from investing activities		1 444 136 045	508 314 034
(Payments) For purchase fixed assets	(5)	(72 240 322)	(26 672 686)
(Payments) For purchase intangible assets	(7)	--	(875 626)
(Payments) For projects under construction		(6 549 275)	(2 080 466)
Proceeds from investments measured at fair value through profit or loss (FVTPL)		--	15 021 897
Change in Financial Investments at Amortized Cost – Treasury Bills		(586 699 343)	--
Collected credit interest		28 968 953	2 669 717
Collected from dividends distributions		45 714 725	7 628 648
Net cash flows (used in) investing activities		(590 805 262)	(4 308 516)
Cash flows from financing activities			
Change in facilities		(82 399 692)	(191 372 099)
Debit interest paid		(13 639 064)	(68 426 603)
Dividends distributions - paid		(130 123 446)	(56 807 162)
Net cash flows (used in) financing activities		(226 162 202)	(316 605 864)
Net cash and cash equivalents during the period		627 168 581	187 399 654
Foreign Currency exchange differences		(23 333 998)	16 783 663
Cash and cash equivalent – beginning of the period		244 521 142	40 337 825
(Less): Expected credit losses (Cash)		(4 649 784)	--
Cash And Cash Equivalent – End of the period	(16)	843 705 941	244 521 142

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

Managing Director

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

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Notes to the Separate Financial Statements

1. About the Company

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 year ended December 31, 2025, were authorized for issuance in accordance with a resolution of the board of directors March 4, 2026.

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.

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

Separate financial statements for the year ended 31 December, 2025

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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 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 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.

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

Separate financial statements for the year ended 31 December, 2025

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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 is depreciated according to the following rates:

Assets	Depreciation rate
Buildings, constructions and facilities	%6.6 - 5
Machinery and equipment	%25-2.5
Motor vehicles	%20
Tools	%50-20
Furniture, fixtures and office equipment	%50 - 10

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.

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4. Significant accounting policies (followed)

4.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recorded at cost less 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 writes 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

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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.

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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.

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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

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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.

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5. Fixed assets

December, 31 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 year	--	4 055 007	58 932 751	5 950 038	1 338 383	1 964 143	72 240 322
Cost at 31 December, 2025	7 221 739	282 943 793	1 098 555 121	19 977 282	26 794 789	27 391 702	1 462 884 426
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 year	--	5 521 211	29 093 580	1 542 206	3 098 577	3 609 967	42 865 541
Accumulated depreciation at 31 December, 2025	--	223 829 268	774 127 386	10 222 672	16 798 129	20 359 884	1 045 337 339
Net book value at 31 December, 2025	7 221 739	59 114 525	324 427 735	9 754 610	9 996 660	7 031 818	417 547 087

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

Buildings & Constructions	Machinery & Equipment	Motor Vehicles	Tools	Furniture & Fixtures	Total
EGP	EGP	EGP	EGP	EGP	EGP
167 619 905	585 155 805	6 852 244	7 405 186	12 152 881	779 186 020

Cost of fully depreciated assets and still being used.

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

Cost of Sales (Note 24)	41 557 145
Selling and marketing expenses (Note 25)	208 685
General and administrative expenses (Note 26)	4 214 942
	45 980 772

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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: -

Cost of fully depreciated assets and still being used.	Buildings & Constructions EGP	Machinery & Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture & Fixtures EGP	Total EGP
	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 Income Statement as follows:

Cost of Sales (Note 24)	40 807 683
Selling and marketing expenses (Note 25)	188 002
General and administrative expenses (Note 26)	3 720 175
	44 715 860

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6. Assets right to use

a. Assets right to use

	31 December, 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 31 December, 2025	3 762 000	3 762 000
Accumulated Amortization at 1 January, 2025	1 818 300	1 065 900
amortization of the year	752 400	752 400
Accumulated Amortization at 31 December 2025	2 570 700	1 818 300
Net book value as at 31 December 2025	1 191 300	1 943 700
b. Operating lease liabilities		
Lease liabilities - current portion	51 894	99 923
Lease liabilities – non-current portion	865 903	1 547 971
Total	917 797	1 647 894

7. Intangible assets

	31 December, 2025	31 December, 2024
	EGP	EGP
SAP program	6 058 611	5 182 985
Additions during the period	--	875 626
Balance at 31 December, 2025	6 058 611	6 058 611
(less):		
Accumulated amortization at 1 January 2025	(5 010 342)	(4 055 140)
amortization during the year	(547 070)	(955 202)
Accumulated amortization on 31 December, 2025	(5 557 412)	(5 010 342)
Net book value on 31 December, 2025	501 199	1 048 269

8. Investments in subsidiaries

	Percentage of	31 December, 2025	31 December, 2024
	Ownership	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
Qena for Management and Maintenance Company (L.L.C)	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

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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 September 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	<u>31 December, 2025</u> EGP	<u>31 December, 2024</u> EGP
South of Upper Egypt Company for sacks Manufacturing	20%	800 000	800 000
		800 000	800 000

10. Projects under construction

	<u>31 December, 2025</u> EGP	<u>31 December, 2024</u> EGP
Programs	14 589 684	8 546 718
Building maintenance	697 946	191 637
Others	24 151	24 151
	15 311 781	8 762 506

11. Inventory

	<u>31 December, 2025</u> EGP	<u>31 December, 2024</u> EGP
Raw materials and packing	137 965 414	110 517 278
Coal and diesel	237 046 930	62 081 441
Spare parts	320 042 692	319 133 023
Work in progress	148 352 075	93 632 349
Finished goods	26 424 056	34 207 652
	869 831 167	619 571 743

12. Account Receivables

	<u>31 December, 2025</u> EGP	<u>31 December, 2024</u> EGP
Account Receivables	--	10 885 605
(deduct):		
Expected credit losses	--	(431 976)
	--	10 453 629

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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	31 December, 2025
Misr Insurance	Shareholder	Insurance installments	20 145 890
South of upper Egypt company (main supplier)	Associate company	Supplying bags	216 132 100
Misr Cement Beton	Subsidiary company	Cement sales	116 630 755
Misr Cement Beton	Subsidiary company	rent	806 000
Misr cement minya	Subsidiary company	Klinker (Dr)	127 553 000
Misr cement minya	Subsidiary company	rent	1 041 200
Misr cement minya	Subsidiary company	Other services	1 942 290
Misr cement minya	Subsidiary company	Spare parts (Cr)	846 340
Misr cement minya	Subsidiary company	Spare parts (Dr)	723 039
Qena for Management and Maintenance Company (L.L.C)	Subsidiary company	Services	164 735 360
Qena for Management and Maintenance Company (L.L.C)	Subsidiary company	rent	28 000
Qena for Management and Maintenance Company (L.L.C)	Subsidiary company	Other services	4 781 950

A) Due from related parties

	31 December, 2025	31 December, 2024
	EGP	EGP
Misr cement Beton (S.A.E)	22 353 351	23 667 118
Misr Cement Minya	3 353 795	12 328 604
	25 707 146	35 995 722
(Less):		
Expected credit loss	(303 205)	(1 045 037)
	25 403 941	34 950 685

B) Due to related parties

	31 December, 2025	31 December, 2024
	EGP	EGP
Qena for Management and Maintenance Company (L.L.C)	1 987 633	18 656 982
	1 987 633	18 656 982

14. Debtors and other debit balances

	31 December, 2025	31 December, 2024
	EGP	EGP
Tax authority–value add tax	39 992 010	39 975 710
ax Authority – Advance Payments	21 410 359	--
Deposits with others	52 222 779	13 608 635
Prepaid expenses	2 833 286	4 791 396
With-holding taxes	15 025 036	14 970 384
Cash cover letter of guarantee (Note No.30)	4 864 500	4 864 500
Letter of Credits	--	16 582 580
Advance payments	9 908 229	15 378 964
Employees borrowings	1 124 482	994 251
Accrued interest	3 744 832	165 185
Other debit balances	991 809	6 313 556
	152 117 322	117 645 161
(less):		
Expected credit loss	(3 090 172)	(1 886 753)
	149 027 150	115 758 408

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15. Financial Investments at Amortized Cost – Treasury Bills

	31 December 2025
	EGP
Treasury bills maturing within 91 days	532 725 000
Treasury bills maturing within 273 days	103 000 000
	635 725 000
(less):	
Accrued interest not yet earned	(40 500 148)
	595 224 852

16. Cash and cash equivalent

	31 December, 2025	31 December, 2024
	EGP	EGP
Current accounts - Local currency	203 475 049	31 161 865
Current accounts - foreign currency *	22 465 382	151 980 384
Time deposits - maturing for three months	622 415 294	61 378 893
Total	848 355 725	244 521 142
(less):		
Expected credit losses	(4 649 784)	--
	843 705 941	244 521 142

* The current accounts – foreign currency included blocked amounts USD 33 881 covered the exportation.

17. 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 September 12, 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 September 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 EGP	Capital Issuing EGP	Paid up capital EGP	Percentage %
NCB Capital Company (NBE)	17 000 000	10	170 000 000	170 000 000	%17.71
Egyptian Federation for Construction and Building Contractors	14 409 599	10	144 095 990	144 095 990	%15.01
Misr Beni Suf Cement Company	12 539 191	10	125 391 910	125 391 910	%13.06
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	8 276 209	10	82 762 090	82 762 090	%8.62
	96 000 000		960 000 000	960 000 000	%100

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18. Reserves

	Legal reserve EGP	General reserve EGP	Capital reserve EGP	Total 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 31 December, 2025	211 359 634	10 216 984	7 932 820	229 509 438

19. Deferred Tax Assets / (Liabilities)

	Tax Assets		Tax Liabilities	
	31/12/2025 EGP	31/12/2024 EGP	31/12/2025 EGP	31/12/2024 EGP
Balance at the beginning of the year	10 090 714	10 090 714	56 737 977	56 995 405
Assets (liabilities) deferred tax movements	(8 970 390)	--	2 860 419	(257 428)
Balance at the ending of the year	1 120 324	10 090 714	59 598 396	56 737 977

20. Provisions

	Balance as of 1 January 2025 EGP	Provisions no longer required EGP	Used during the period EGP	Provision charged EGP	Balance as of 31 December, 2025 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	(43 542 194)	(54 820 811)	48 169 046	41 719 800
	97 679 664	(43 542 194)	(54 820 811)	48 169 046	47 485 705

- 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.

21. Suppliers and notes payable

	31 December, 2025 EGP	31 December, 2024 EGP
Suppliers	698 070 171	295 573 709
Notes payables	25 398 329	255 370 995
	723 468 500	550 944 704

22. Facilities

- The company has facilities in 31 December, 2025 amounted EGP 92 256 026 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP 200 000 000.
- The company has long term facilities on 31 December, 2025 amounted EGP 18 305 236 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP 200 000 000 during 2023 provided that the full amount of financing is paid at the end of the financing year in one installment.

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23. Creditors and other credit balances

	31 December, 2025	31 December, 2024
	EGP	EGP
Tax authority	11 117 294	5 402 178
Value added tax on Cement	59 509 527	28 290 161
Production development fees	4 679 424	3 104 179
Retentions	11 593 554	13 078 670
Syndicate Stamps	6 917 734	6 961 202
Employees services association	646 532	240 272
Social insurance authority	1 901 431	1 238 522
Accrued Interest Receivable	8 899	8 899
Accrued for suppliers (Cement transportation)	2 609 700	2 643 917
Credit – Dividends	899 576	882 900
Solidarity contribution of medical insurance accrual	11 016 938	7 164 516
Other credit balances	7 921 821	14 957 372
	118 822 430	83 972 788

24. Cost of Sales

	31 December 2025	31 December 2024
	EGP	EGP
Depreciation	41 557 145	40 807 683
Governmental fees and technical management fees	87 093 052	77 280 371
Packing materials	340 008 956	309 764 132
Electricity and power	1 532 903 344	1 503 204 109
Indirect cost *	486 089 782	343 740 618
	2 487 652 279	2 274 796 913

25. Selling and marketing expenses

	31 December 2025	31 December 2024
	EGP	EGP
Salaries and wages	17 397 557	12 996 317
Depreciation	208 685	188 002
Stamps	89 937	80 436
Advertising and publicity	3 404 819	1 709 707
Traveling and Transportation expenses	1 349 690	270 664
Others expenses	3 532 260	3 936 963
	25 982 948	19 182 089

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26. General and administrative expenses

	31 December 2025	31 December 2024
	EGP	EGP
Depreciation	4 214 942	3 720 175
Salaries and wages	56 685 201	46 327 928
Donations	9 091 887	7 439 625
Insurance Expenses	1 125 909	520 846
Public relations and advertisement expenses	495 261	536 408
Other services expenses	3 288 167	3 908 790
Training, researches and consulting expenses	5 910 155	4 435 756
Medical and pension funds	2 821 651	3 166 230
Transportation and travelling expenses	3 068 231	2 228 035
Material and supplies	2 530 626	1 490 163
Housing Rent and Transportation	170 399	754 313
Solidarity contribution of medical insurance	10 955 020	7 388 554
Other expenses	29 322 672	27 390 886
	129 680 121	109 307 709

27. Other Revenues

	31 December 2025	31 December 2024
	EGP	EGP
Revenue from Transport, shipping, handling	143 276 540	59 920 242
Revenue from spare parts	846 340	9 689 648
Metal sales revenue	5 869 617	658 089
Miscellaneous revenue	33 851 866	573 255
	183 844 363	70 841 234
(Less):		
Mining activities cost	(4 774 925)	--
Transport, shipping and handling cost	(142 577 325)	(59 974 963)
spare parts cost	(988 394)	(4 048 554)
	35 503 719	6 817 717

28. Income tax payable

	31 December 2025
	EGP
Effective Income Tax Rate Reconciliation:	
Net accounting profit before tax	1 605 734 960
Tax rate	%22.5
Total calculated tax	361 290 366
Tax differences:	
Tax differences	(8 335 668)
Treasury bills tax	1 705 102
Deferred tax	11 830 810
Income tax	366 490 610
Effective tax rate	%22.8

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29. Revenue from investments in associate and subsidiaries companies

	31 December 2025	31 December 2024
	EGP	EGP
Qena Cement – dividends	30 685 767	7 575 626
Upper Egypt – dividends	15 019 958	7 010 802
Beton - Attendance Allowance	9 000	6 000
	45 714 725	14 592 428

30. Earnings per share (EGP / Share)

	31 December 2025	31 December 2024
Net profits for the year	1 225 708 438	215 751 290
Employees profit share	(116 442 302)	(20 496 373)
Board of directors' bonus	(30 116 005)	(13 646 735)
Remaining profits	1 079 150 131	181 608 182
Number of shares	96 000 000	96 000 000
Earnings per share	11.24	1.89
	EGP	EGP
Expected average number of shares: = 96 000 000 × 12/12	96 000 000	96 000 000

31. Tax Situation

a) Corporate taxes

An Introduction

The company was established in accordance with Law No. 159 of 1981. The General Authority for Investment and Free Zones approved the company's entitlement to the tax exemptions granted under the Investment Guarantees and Incentives Law No. 8 of 1997 for its activity related to cement manufacturing only, for a period of ten years starting from January 1, 2003, and ending on December 31, 2012, following the commencement of production on April 6, 2002.

The financial year ended December 31, 2013, is the first year subject to corporate income tax.

1. Years from beginning of the activity to 2019

All tax disputes for this period have been settled, and the related tax dues have been paid

2. Years from 2020/2024

-The company was audited by the Egyptian Tax Authority for the relevant years. The audit results were approved, and the principal tax arising from the audit differences was fully settled. An appeal was submitted in respect of the paid tax, the time extension penalties, and the withholding tax that was not offset against the tax due on the Authority's system. As of the reporting date, no committee has been appointed to review the dispute

b) Salary tax

1. Years from beginning of the activity to 2024

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

3. Year 2025

-The company withholds the tax from the employees and exports it to the tax authority at the legal dates.

-No audit forms have been received by the company for this period.

c) Value added tax (Sales Tax)

1. Years from beginning of the activity to 2024

The audits for these years have been completed, and all differences have been settled.

2. Year 2025

- The company withholds tax and remits it to the Egyptian Tax Authority within the statutory deadlines.

- No audit forms have been received by the company for this period.

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31. Tax Situation (followed)

d) Development of the country's financial resources fees

1. Years from 5 May 2008 to 2024

- The tax authority reviewed the company's books and records, and no differences were found.

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.
- The law was applied starting from July 1, 2013, with valuation effective until December 2021, according to Law No. 4 of 2019 amending Law No. 196 of 2008.
- The company relied on the authority's assessments to calculate its tax obligations for the years 2022–2024 in the absence of new valuation notifications.
- The company submitted its real estate tax returns in accordance with Law No. 196 of 2008 and its amendments.
- In August 2022, Council of Ministers (Egypt) issued Cabinet Resolution No. 61 of 2022, under which the Ministry of Finance (Egypt) bears the full amount of tax due on built properties used in certain activities, effective from 1 January 2022 for a period of three years. On 1 February 2024, the Prime Minister issued Resolution No. 3 of 2024, extending the validity of Resolution No. 61 of 2022 until 31 December 2026, subject to certain conditions. The cement activity was included under item No. 12 in the list of activities for which the Ministry of Finance assumes the real estate tax on the properties used in the activity.
- The Real Estate Tax Authority issued Circular No. 5 of 2022 on September 6, 2022, detailing the procedures for implementing the Cabinet decision.
- The company has submitted a formal request with all required documents in accordance with the circular but has not yet received official approval.

32. Contingent liabilities

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

33. Important Events

- On 17 April 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to cut the overnight deposit and lending rates and the central bank's main operation rate by 225 basis points to 25%, 26%, and 25%, respectively. It also decided to reduce the credit and discount rate by 225 basis points to 25.5%.
- On 22 May 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to cut the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to 24%, 25%, and 24.5%, respectively. It also decided to reduce the credit and discount rate by 100 basis points to 24.5%. This decision reflects the latest economic developments and forecasts since the previous Monetary Policy Committee meeting.
- On 28 August 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 200 basis points to 22%, 23%, and 22.5%, respectively. It also decided to lower the credit and discount rate by 200 basis points to 22.5%.
- On 2 October 2025, it was decided to reduce the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to 21%, 22%, and 21.5%, respectively. The credit and discount rate were also reduced by 100 basis points to 21.5%.
- On 25 December 2025, interest rates in Egypt were cut by a total of 725 basis points over five consecutive reductions during the year. In the eighth and final Monetary Policy Committee meeting of the year, the committee decided to reduce the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to 20%, 21%, and 20.5%, respectively. The credit and discount rate were also reduced by 100 basis points to 20.5%.

Managing Director

Hassan Gabry

Acting Chief Financial Officer

Mahmoud Karam

Financial Manager

Adel Attia Mohamed