

**Arabian Cement Company S.A.E.
Separate Financial Statements
together with Auditor's Report
for the year ended December 31, 2024**

Contents

Arabian Cement Company (Separate financial statements)

Auditor's Report	F-01
Separate Statement of Financial Position	F-03
Separate Statement of Profit Or Loss	F-04
Separate Statement of Comprehensive Income	F-05
Separate Statement of Changes In Equity	F-06
Separate Statement of Cash Flows	F-07
Notes To the Separate Financial Statements	F-08

Auditor's Report

To: The Shareholders of Arabian Cement Company

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Arabian Cement Company S.A.E, which comprise the separate statement of financial position as of December 31, 2024, and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

The separate financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and the prevailing Egyptian laws. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the separate 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 Standards on Auditing and the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 Arabian Cement Company as of December 31, 2024, and the results of its separate operations and its separate cash flows for the year then ended in accordance with Egyptian Accounting Standards and the applicable Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts, which include all that is required by law and by the statutes of the Company. The separate financial statements are in agreement thereto. The company maintains a proper costing system and the inventories were counted by management in accordance with methods in practice.

The financial information referred to in the board of directors' report is prepared in compliance with the requirements of the Companies Law No. 159 of 1981 and its Executive Regulations thereto and is in agreement with the books of accounts of the Company to the extent that such information are recorded therein.

Cairo, March 23, 2025



Wafik Alfred Hanna
FESAA, CPA
(R.A.A 9176) – (F.R.A 132)

Arabian Cement Company (S.A.E)
Separate Statement of Financial Position
as of December 31, 2024

	Note No	December 31, 2024 EGP	December 31, 2023 EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(11)	1 641 738 583	1 654 495 939
Assets under construction	(12)	706 855 638	2 476 563
Intangible assets (net)	(13)	134 955 856	163 112 115
Right of use assets (net)	(31)	4 436 332	12 901 506
Investment in subsidiaries (net)	(14)	30 315 214	30 315 214
Investment in a joint venture (net)	(15)	--	--
Total non-current assets		2 518 301 628	1 863 251 337
Current assets			
Inventories	(16)	844 191 991	976 873 736
Trade receivables	(17)	106 464 102	185 976 365
Debtors and other debit balances (net)	(18)	605 665 790	231 138 942
Due from related parties	(29)	5 227 083	8 481 160
Cash and bank balances	(19)	1 656 432 457	544 635 150
Total current assets		3 217 981 423	1 947 105 353
Total assets		5 736 283 051	3 810 356 690
Equity and liabilities			
Equity			
Issued and paid-up capital	(20)	757 479 400	757 479 400
Legal reserve	(21)	363 501 231	294 702 995
Retained earnings	(22)	1 167 053 856	688 085 124
Total equity		2 288 044 487	1 740 267 519
Liabilities			
Non-current liabilities			
Borrowings	(23)	120 392 380	--
Deferred tax liabilities	(9-3)	239 016 635	280 318 664
Lease liabilities	(31)	1 642 532	1 739 258
Trade and notes payable	(24)	301 142 055	1 788 996
Total non-current liabilities		662 193 602	283 546 918
Current liabilities			
Trade and notes payable	(24)	795 402 836	1 018 854 857
Credit facilities	(23)	615 044 229	90 074 273
Current income tax liability	(9-2)	366 450 380	215 862 692
Current portion of long term borrowings	(23)	25 481 075	--
Lease liabilities	(31)	3 625 821	9 481 649
Creditors and other credit balances	(27)	319 328 507	296 756 219
Due to related parties	(29)	4 912 892	5 543 349
Dividends payable	(26)	600 302 425	99 229 802
Provisions	(25)	55 496 757	50 729 412
Total current liabilities		2 786 044 962	1 786 542 253
Total Liabilities		3 448 238 564	2 070 089 171
Total equity and liabilities		5 736 283 051	3 810 356 690

- The accompanying notes form an integral part of the separate financial statements and to be read there with

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

- Auditor's report attached



Arabian Cement Company (S.A.E)
Separate Statement of profit and loss
for the year ended December 31, 2024

	Note No.	<u>December 31, 2024</u>	<u>December 31, 2023</u>
		<u>EGP</u>	<u>EGP</u>
Sales (net)	(4)	8 585 462 048	5 933 160 524
Cost of sales	(5)	(6 443 798 927)	(4 604 994 563)
Gross profit		2 141 663 121	1 328 165 961
<u>Add/(deduct):</u>			
General and administrative expenses	(6)	(351 899 589)	(228 770 879)
Provisions	(25)	(32 203 488)	(13 700 000)
Impairment loss on investments in subsidiaries	(14)	--	(17 160 843)
Impairment loss on a joint venture	(15)	--	(125 000)
Loss on disposal of property, plant and equipment		--	(190 053)
Reversal of impairment of investment in joint venture	(15)	125 000	--
Gain on selling of investment in joint venture	(15)	1 925 000	--
Interest income		56 458 493	30 813 502
Other income		15 824 818	12 696 943
Finance costs	(7)	(91 188 916)	(76 979 253)
Foreign currency exchange losses		(243 812 127)	(115 144 168)
Net profit for the year before tax		1 496 892 312	919 606 210
Income tax	(9-1)	(338 236 573)	(231 623 851)
Net profit for the year after tax		1 158 655 739	687 982 359
Earnings per share	(10)	3.02	1.79

- The accompanying notes form an integral part of the separate financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer



Arabian Cement Company (S.A.E)
Separate Statement of Comprehensive Income
for the year ended December 31, 2024

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year after tax	1 158 655 739	687 982 359
Items of other comprehensive income	--	--
Comprehensive income for the year	<u><u>1 158 655 739</u></u>	<u><u>687 982 359</u></u>

- The accompanying notes form an integral part of the separate financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Arabian Cement Company (S.A.E)

Separate Statement of Changes in Shareholders' Equity
for the year ended December 31, 2024

	Issued and paid-up capital		Legal reserve		Retained earnings		Total
	EGP		EGP		EGP		EGP
Balance as of January 1, 2023	757 479 400		260 452 502		140 646 840		1 158 578 742
Transferred to legal reserve	--	34 250 493	--		(34 250 493)		--
Total comprehensive income for the year	--	--	--		687 982 359		687 982 359
Dividends distributed to shareholders	--	--	--		(99 229 802)		(99 229 802)
Dividends distributed to employees	--	--	--		(7 063 780)		(7 063 780)
Balance as of December 31, 2023	757 479 400		294 702 995		688 085 124		1 740 267 519
Balance as of January 1, 2024	757 479 400		294 702 995		688 085 124		1 740 267 519
Transferred to legal reserve	--	68 798 236	--		(68 798 236)		--
Total comprehensive income for the year	--	--	--		1 158 655 739		1 158 655 739
Dividends distributed to shareholders	(26)	--	--		(600 302 425)		(600 302 425)
Dividends distributed to employees	(26)	--	--		(10 576 346)		(10 576 346)
Balance as of December 31, 2024	757 479 400		363 501 231		1 167 063 856		2 288 044 487

- The accompanying notes form an integral part of the separate financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
Chief Executive Officer




Arturo Gallart Mauri
Chief Financial Officer

Arabian Cement Company (S.A.E)
Separate Statement of Cash flow
for the year ended December 31, 2024

	Note No.	December 31, 2024 EGP	December 31, 2023 EGP
Cash flows from operating activities			
Net profit for the year before tax		1 496 892 312	919 606 210
Adjusted by:			
Finance costs	(7)	91 138 916	76 979 253
Interest income		(56 458 493)	(30 813 502)
Depreciation of property, plant and equipment	(11)	215 950 181	209 302 047
Amortization of intangible assets	(10)	28 156 249	28 156 249
Amortization of right of use assets	(31)	7 082 414	6 891 333
Reversal of impairment of investment in joint venture	(15)	(125 000)	--
Gain on selling of investment in joint venture	(15)	(1 925 000)	--
Loss on disposal of property, plant and equipment		--	190 053
Impairment loss on investments in subsidiaries	(14)	--	17 160 843
Impairment loss on a joint venture	(15)	--	125 000
Provisions Formed during the year	(25)	32 203 438	13 700 000
		1 812 965 067	1 241 297 486
Decrease / (increase) in inventories		132 681 745	(361 301 293)
(Increase) in debtors and other debit balances		(407 830 229)	(62 328 212)
Decrease in amounts due from related parties		3 254 077	3 795 799
Decrease / (increase) in trade receivables		79 517 763	(136 604 624)
Increase in trade and notes payables		75 891 038	229 621 762
(Decrease) / increase in amounts due to related parties		(630 457)	3 452 864
Increase in creditors and other credit balances		10 237 830	8 357 319
Provisions used	(25)	(27 436 103)	(23 463 162)
Cash flows generated from operating activities		1 683 645 237	902 817 939
Finance costs paid		(79 141 201)	(75 867 034)
Current income tax paid		(210 923 879)	(187 083 304)
Net cash flows generated from operating activities		1 393 580 157	639 867 601
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(202 149 125)	(50 905 051)
Payments for assets under construction		(705 472 770)	(1 735 742)
Proceeds from selling of investment in a joint venture		2 050 000	--
Interest income received		56 458 493	30 813 502
Net cash flows used in investing activities		(849 113 402)	(21 827 291)
Cash flows from financing activities			
Net change in borrowings		145 573 455	(341 010 870)
Net change in credit facilities		524 969 956	(270 569 932)
Payment of lease liabilities	(31 2)	(4 233 057)	(9 827 719)
Dividends paid*		(39 229 802)	(249 966 203)
Net cash flows generated from (used in) financing activities		567 330 552	(871 376 724)
Net change in cash and cash equivalents during the year		1 111 797 307	(253 336 414)
Cash and cash equivalents at the beginning of the year		544 635 150	797 971 564
Cash and cash equivalents at the end of the year	(19)	1 656 432 457	544 635 150

Non-cash transactions

*On December 3, 2024, the Ordinary General Assembly of the Company was held and approved dividends distribution to shareholders amounted to EGP 600 302 245 from the retained earnings appearing on the financial statements for the year ended December 31, 2023 and was excluded from the separate statement of cash flows as a non-cash transaction.

*The accompanying notes form an integral part of the separate financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
Chief Executive Officer




Arturo Gallart Mauri
Chief Financial Officer

1. General information

Arabian Cement Company S.A.E. (ACC or the Company), a joint stock Company incorporated in Cairo, Egypt, and is a public company whose shares are traded at the EGX Egyptian Exchange. The Company was established on March 5, 1997, under the provisions of the Investment Law No. 230 of 1989 and the Capital Market Law No. 95 of 1992 and their Executive Regulations, according to the decree of the President of General Authority for Investment and Free Zones (GAFI) No. 167 of 1997.

The Company was registered on April 3, 2005, at the Commercial Register under No. 13105 in Cairo, which was changed to No. 53445 on August 16, 2011, as the Company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza- Egypt. The administration office address was changed to Gamal Abdel Nasser square (west Arabella), Fifth Settlement Arabella Plaza, Office Building (A), 5th floor.

The Company's objective is the manufacturing and sale of clinker, cement and the other related products and usage of mines and extraction of all mining materials required for the production of construction materials and road transportation for all the company's products. The Company may carry out other projects or amend its purpose according to the provisions of the Investment Incentives and Guarantees Law.

The Company produces cement with a clinker capacity of 4.2 million tonnes per annum that can produce 5 million tonnes per annum of cement.

The main shareholder of the Company is Aridos Jativa – Spanish Company, and it owns 60% of the Company's capital.

The Company's term is 25 years starting from the date of its registration at the commercial register.

2. Significant accounting policies

2.1 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The independent financial statements were prepared in accordance with the Egyptian Accounting Standards issued by Ministerial Decree No. 110 of 2015 amended by Decree of the Minister of Investment No. 69 of 2019.

2.2 Revenue recognition

The company recognizes revenue from contracts with customers based on a five-step model set out in the Egyptian Accounting Standard no. (48) - Revenue from contracts with customers.

Step 1: identify the contract with the customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.

Step 3: determine the transaction price: the transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligation in the contract: for a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: recognize revenue when (or as) the entity satisfies the performance obligation.

If the consideration promised in a contract include a variable amount, the entity shall estimate the amount of consideration to which the entity will be entitled in exchange for transferring the promised goods or services to a customer.

An amount of consideration can vary because of discounts, rebates, refunds, credits, price concession, incentives, performance bounces, penalties, or other similar items. The promised consideration can also vary if the entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

The entity sells packed and non-packed cement and clinker, where selling process is either through selling invoices and/or specific contract with a customer.

Sales of goods

For contracts with customers which the only obligation is going to be selling cement, revenues shall be recognized at the time in which control over asset is transferred to the customer at a specific point in time, which is usually at the delivery date.

The entity recognizes revenue at the point in time at which the customer obtains control of a promised asset and the entity satisfies the performance obligation. The entity considers the below mentioned indicators to assess the transfer of control of the promised asset.

- The entity has a present right to payment for the asset
- The customer has the legal title to the asset
- The entity has transferred physical possession of the asset
- The customer has the significant risks and rewards of ownership of the asset
- The customer has accepted the asset.

Transportation services

Transportation revenue is recognized at a point in time when the company fulfils its performance obligations towards customers, i.e. when the product is delivered to the specified place.

Other income

Other income is recognized when the company fulfils its performance obligations towards customers, with no income from export subsidy incentives for the year ended December 31, 2024.

2.3 Foreign currencies

The financial statements are presented in Egyptian Pound (EGP), which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the separate statement of profit or loss in the period in which they arise.

The exchange rates for the major foreign currencies against EGP relevant to the annual financial statements were as follows:

Currency table	December 31, 2024		December 31, 2023	
	Average	Year end	Average	Year end
1 USD US Dollar	44.39	50.84	30.33	30.95
1 EUR Euro	48.11	52.54	32.72	33.96

2.4 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the separate statement of profit or loss in the period in which they are incurred.

The amount of borrowing costs that an entity capitalises during the period shall not exceed the amount of borrowing costs it incurred during that period, provided that the carrying amount of the qualifying asset on which eligible borrowing costs have been capitalized does not exceed its recoverable amount (being the higher of fair value less costs to sell or amount in use for that asset).

2.5 Employee benefits

2.5.1 Profit sharing

The company pays 10% of the cash profits which are allocated for distribution, at maximum of the employees' basic salaries. Employees' profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the company's shareholders. No liability is recognized for profit sharing relating to undistributed profits.

2.5.2 Pension obligations (Social insurance)

For defined contribution plans, the company pays contributions to the General Social Insurance Authority under Law No. 79 of 1975 and its amendments - plans on a mandatory basis. Once the contributions have been paid, the Company has no further payment obligations. The regular contributions constitute net periodic costs for the period during which they are due and as such are included in staff costs.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the separate statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the separate statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Investments in subsidiaries

Investments in subsidiaries are investments in companies in which the company has control. The investor controls the investee when the entity is exposed or is entitled to variable returns through its contribution to the investee and is able to influence those returns through its authority over the investee.

Investments in subsidiaries are accounted for at cost inclusive of 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 statement of profits or losses for each investment separately.

2.8 Investments in joint ventures

A joint venture is joint arrangement whereby the parties that they have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in joint ventures are accounted for at the application of the equity method, and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the statement of profits or losses for each investment separately.

2.9 Property, plant and equipment

Buildings, plant and equipment, furniture and fixtures held for use in the production, supply of goods or services or for administrative purposes are stated in the separate statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, administrative purposes or for a currently undetermined future use are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the entity's accounting policy as described in note 2.4 Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation of buildings, plant and equipment as well as furniture and fixtures commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the separate statement of profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	10 – 20 years
Machinery and equipment	20 years
Furniture and fixtures	16 years
Vehicles	10 years
Other installations	20 years
Computer and software	3 – 5 years

2.10 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives.

The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimating being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the separate statement of profit or loss when the asset is derecognized.

Assets	Years
Operating licence	20 years
Electricity contract	10 years

2.11 Impairment of tangible and intangible assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the separate statement of profit or loss.

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

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value.

Costs, includes an appropriate portion of fixed and variable production overheads as well as other costs incurred in bringing the inventories to their present location and condition, and are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being priced on a moving average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The net realizable value of an item of inventory may fall below its cost for many reasons including, damage, obsolescence, slow moving items, a decline in selling prices, or an increase in the estimate of costs to complete and costs necessary to make the sale. In such cases, the cost of that item is written-down to its net realizable value and the difference is recognized immediately in the separate statement of profit or loss.

2.13 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.14 Financial instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual terms of the instrument.

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through the separate statement of profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Entity may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

This includes all derivative financial assets. On initial recognition, the Entity may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The entity assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Entity's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Entity's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Entity considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Entity considers:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features.
- prepayment and extension features; and
- terms that limit the Entity's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement – financial assets

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the separate statement of profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses (see accounting policy on impairment). Interest income, foreign exchange gains and losses and impairment are recognized in the separate statement of profit or loss. Any gain or loss on de-recognition is recognized in the separate statement of profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the separate statement of profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to the separate statement of profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the separate statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the separate statement of profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL

if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities

Financial liabilities are measured at FVTPL and are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or

loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest

expense and foreign exchange gains and losses are recognized in the separate statement of profit or loss. Any gain or loss on derecognition is also recognized in the separate statement of profit or loss.

Derecognition

Financial assets

The Entity derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Entity neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

The Entity enters transactions whereby it transfers assets recognized in its separate statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Entity derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Entity also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the separate statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the separate statement of financial position when, and only when, the Entity currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of assets

Non-derivative financial assets

The Entity recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost.
- debt investments measured at FVOCI; and
- contract assets.

The company measures allowances for expected credit losses for receivables that are disclosed as trade receivables, debtors and other debit balances.

The Entity measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Entity measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Entity's historical experience and informed credit assessment and including forward-looking information. The Entity assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Entity considers a financial asset to be in default when:

- the trade receivable is unlikely to pay its credit obligations to the Entity in full, without recourse by the Entity to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Entity is exposed to credit risk.

Measurement of ECLs:

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Entity assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidences that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the debtor.
- a breach of contract, such as default of payment.
- the company, for economic or contractual reasons accepted the debtor repayment schedule that the company would not otherwise consider.
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization

Presentation of expected credit losses in the separate financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Write-off

An entity shall directly reduce the gross carrying amount of a financial asset when the company has no reasonable expectations of recovering the full amount or portion of the financial asset. The Company expects not to recover a significant portion of the written-off amounts. However, the written-off financial assets may still be subject to enforcement activities in order to comply with the company's procedures for recovery of such receivable balances.

Non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to

depreciation or amortization and are reviewed (at least at the balance sheet date) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment,

assets are entitled based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment is recognized as an expense in the separate statement of profit or loss. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased, and the impairment must be (partially) reversed.

Impairment losses on goodwill are not reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases, and the decrease can be related objectively to an event after the impairment loss was recognized.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts expected future cash inflows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and any other premiums or discounts) over the expected life of the debt instrument - or over the A shorter period of time, if appropriate - specifically up to the asset's net carrying amount on initial recognition.

The income from debt instruments, which is subsequently measured at amortized cost, is recognized in the separate statement of profit or loss on the basis of effective interest, and this interest income is presented under the line "finance income".

2.15 Lease Contracts

The Minister of Investment Decree No. 69 of 2019 issued in March 2019 amended certain provisions of the Egyptian Accounting Standards issued by the Minister of Investment Decree No. 110 for the year 2015. These amendments included the addition of the Accounting Standard No. 49 to replace the Egyptian Accounting Standard No. (20) Accounting of financial leasing operations, provided that it is applied to the financial periods beginning on or after January 1, 2020 and with the exception of the effective date, the date of the initial application is the beginning of the annual reporting period in which the finance lease law No. 95 of 1995 and its amendments was cancelled and in light of Standard No. 49 as at The beginning of the lease recognize the "right of use" and the lease liability.

Initial measurement of the right-of-use asset

At the commencement date, a lessee shall measure the right-of-use asset at cost, the cost of the right-of-use asset shall comprise:

- (a) The amount of the initial measurement of the lease liability, at the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- (b) Any lease payments made at or before the commencement date, less any lease incentives received
- (c) Any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent measurement of the right-of-use asset

After the commencement date, a lessee shall measure the right-of-use asset. Applying a cost model, a lessee shall measure the right-of-use asset at cost:

- (a) Less any accumulated depreciation and any accumulated impairment losses.
- (b) Adjusted for any re-measurement of the lease liability.

Initial measurement of the lease liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Subsequent measurement of the lease liability

After the commencement date, a lessee shall measure the lease liability by

- (a) Increasing the carrying amount to reflect interest on the lease liability
- (b) Reducing the carrying amount to reflect the lease payments made
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Lease term

The company shall determine the lease term as the non-cancellable period of a lease with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise the option. In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease.

2.16 Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.

Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them; and the grants will be received.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the separate statement of financial position through recognizes the grant as deferred income that is recognized in the separate statement of profit or loss on a systematic basis over the useful life of the asset.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the entity's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note (2.3) below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

3.1.1 Revenue recognition

Management takes into account the detailed criteria for recognition of revenue from the sale of goods in accordance with Egyptian Accounting Standard No. (48) "Revenue from contracts with customers", and in particular, whether the Company has transferred to the buyer full control over the sold goods. The additional costs of obtaining a contract with a customer are recognized as an asset if the entity expects to recover those costs, and the costs of fulfilling a contract are recognized as an asset when specific conditions are met.

3.1.2 Deferred income taxes

The measurement of deferred income tax assets and liabilities is based on the judgment of management. Deferred income tax assets are only capitalized if it is probable that they can be used. Whether or not they can be used depends on whether the deductible tax temporary difference can be offset against future taxable gains.

In order to assess the probability of their future use, estimates must be made of various factors including future taxable profits. If the actual values differ from the estimates, this can lead to a change in the assessment of recoverability of the deferred tax assets and accounting for such a change, if any, is to be made on a prospective basis in the reporting periods affected by the change.

3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2.1 Useful lives of property, plant and equipment

The carrying value of the entity's property, plant and equipment at the end of year ended December 31, 2024 amounted to EGP 1 641 738 583 (2023: EGP 1 654 495 939) (Note 11). Management's assessment of the useful life of property, plant and equipment is based on the expected use of the assets, the expected physical wear and tear on the assets, technological developments as well as past experience with comparable assets. A change in the useful life of any asset may have an effect on the amount of depreciation that is to be recognized in the separate statement of profit or loss for future periods.

3.2.2 Useful lives of intangible assets.

The carrying value of the entity's intangible assets at the end of year ended December 31, 2024, amounted to EGP 134 955 866 (2023: EGP 163 112 115), (Note 13). Management's assessment of the useful life of intangible assets is based on the expected use of the assets, the expected physical wear and tear on the assets, technological developments as well as past experience with comparable assets. A change in the useful life of any asset may have an effect on the amount of depreciation that is to be recognized in the separate statement of profit or loss for future periods.

3.2.3 Provisions

The carrying amount of provisions at the end of period ended December 31, 2024 is EGP 55 496 797 (2023: EGP 50 729 412). This amount is based on estimates of future costs for legal cases and other claims in connection with the Company's operations (Note 25). As the provisions cannot be determined accurately, the amount could change based on future developments. Changes in the amount of provisions due to change in management estimates are accounted for on a prospective basis and recognized in the period in which the change in estimates arises.

4. Sales (net)

An analysis of the Company's revenue for the year is as follows:

EGP	December 31, 2024	December 31, 2023
Local		
Sales	4 559 158 474	3 796 763 233
Transportation services	179 825 230	82 820 228
	4 738 983 704	3 879 583 461
Export		
Sales	3 222 781 048	1 622 380 975
Transportation services	623 697 296	431 196 088
	3 846 478 344	2 053 577 063
Total	8 585 462 048	5 933 160 524

5. Cost of sales

An analysis of the Company's cost of sales for the year is as follows:

EGP	December 31, 2024	December 31, 2023
Raw materials	5 210 148 117	3 762 838 803
Manufacturing depreciation	212 173 883	206 724 915
Amortization of licenses - intangible assets	28 156 249	28 156 249
Amortization of right of use assets	7 082 414	6 891 333
Transportation costs	782,348,018	490,981,596
Overhead costs	203,890,246	109,401,667
Total	6 443 798 927	4 604 994 563

6. General and administration expenses

An analysis of the Company's general and administration expenses for the year is as follows:

EGP	December 31, 2024	December 31, 2023
Professional services	115 266 805	77 316 074
Salaries and wages*	124 882 010	74 139 823
Security and cleaning services	4 738 183	2 428 688
Rentals	2 110 584	502 419
Transportation costs	12 440 064	7 153 216
Advertising	4 674 035	3 401 355
Administrative depreciation	3 776 298	2 577 132
Other expenses	84 011 610	61 252 172
Total	351 899 589	228 770 879

Professional services include amounts charged by related parties amounted to EGP 91 542 686 for the year ended December 31, 2024.

7. Finance costs

An analysis of the Company's finance costs for the year is as follows:

EGP	December 31, 2024	December 31, 2023
Loan interest expense	2 754 107	32 100 606
Finance lease	1 237 302	1 296 489
Finance cost of interest expense long term notes payables	1 244 481	933 823
Credit facilities interest expense	85 953 026	42 648 335
Total	91 188 916	76 979 253

8. Compensation of key management personnel

EGP	December 31, 2024	December 31, 2023
Board of Directors allowances and salaries	81 543 935	47 142 504
Total	81 543 935	47 142 504

* Included in the Salaries and wages in the administrative expenses.

9. Income taxes

9.1 Income tax recognised in the separate statement of profit or loss

EGP	December 31, 2024	December 31, 2023
Current income tax		
Current income tax for the year	366 450 380	215 862 692
Current income tax related to prior years	12 788 222	--
Total current tax for the year	379 238 602	215 862 692
Deferred tax		
Deferred tax for the year	(41 002 029)	15 761 159
Total income tax for the year	338 236 573	231 623 851

The following table presents reconciliation between income tax expense recognized for the year and the tax calculated by applying the applicable tax rates on accounting profit:

EGP	December 31, 2024	December 31, 2023
Profit before tax	1 496 892 312	919 606 210
Tax using applicable tax rate 22.5%	336 800 770	206 911 397
Add:		
Effect of reversal of accounting depreciation and amortization	244 106 430	244 349 629
Effect of expenses that are not deductible in arriving to taxable profit	44 350 044	37 712 975
Effect of provisions/impairments formed that are not deductible in arriving to taxable profit	32 203 488	30 985 843
Effect of unrealized net foreign exchange losses that are not deductible in arriving to taxable profit	--	4 306 656
Less:		
Effect of tax depreciation and amortization that are deductible in arriving to the taxable profit	(125 929 602)	(108 363 787)
Effect of realized net foreign exchange losses that are deductible in arriving to the taxable profit	(46 617 918)	(168 097 949)
Effect of unrealized net foreign exchange gain that are not deductible in arriving to the taxable profit	(15 168 750)	--
Effect of provisions used that are deductible in determining taxable profit	(1 167 650)	(1 109 835)
Taxable income	1 628 668 354	959 389 742
Current income tax expense for the year	366 450 380	215 862 692

9.2 Current tax liabilities

EGP	December 31, 2024	December 31, 2023
Current tax liability (note 9.1)	366 450 380	215 862 692
Current tax liabilities	366 450 380	215 862 692

The average effective tax rate in the year ended December 31, 2024 is 24.5% (2023: 23%).

9.3 Deferred tax liabilities

Deferred tax liabilities arise from the following:

December 31, 2024	Opening balance	Recognized in profit or loss	Ending balance
EGP			
(Liabilities)			
Temporary differences			
Depreciation of property, plant and equipment and intangible assets	(280 018 664)	44 414 997	(235 603 667)
Unrealized foreign currency exchange gain	--	(3 412 968)	(3 412 968)
Net deferred tax liability	(280 018 664)	41 002 029	(239 016 635)
December 31, 2023	Opening balance	Recognized in profit or loss	Ending balance
EGP			
(Liabilities)			
Temporary differences			
Depreciation of property, plant and equipment and intangible assets	(264 257 505)	(15 761 159)	(280 018 664)
Net deferred tax liability	(264 257 505)	(15 761 159)	(280 018 664)

10. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

EGP	December 31, 2024	December 31, 2023
Earnings (for basic and diluted earnings per share)		
Net profit for the year	1 158 655 739	687 982 359
Employees' share in the dividends (note 18)	(15 045 727)	(10 576 346)
Distributable net profit for the year	1 143 610 012	677 406 013
Number of shares (for basic and diluted earnings per share)		
Weighted average number of ordinary shares for the purposes of earnings per share	378 739 700	378 739 700
Earnings per share from continuing operations	3.02	1.79

Arabian Cement Company S.A.E
Notes to the separate financial statements
For the year ended December 31, 2024

11. Property, plant and equipment (net)

EGP	Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST								
Balance at January 1, 2023	50 243 436	663 352 417	38 134 002	2 857 479 064	15 110 765	302 978 330	22 589 172	3 949 887 186
Additions		24 060 840	3 518 258	16 177 660	1 479 408	1 130 954	4 537 931	50 905 051
Transferred from assets under construction (Note No. 12)				(217 255)		3 261 312		3 261 312
Adjustments			(471 930)			(1 706)		(473 636)
Disposals								
Balance at December 31, 2023	50 243 436	687 413 257	41 180 330	2 873 439 469	16 590 173	307 368 890	27 127 103	4 003 362 658
Balance at January 1, 2024	50 243 436	687 413 257	41 180 330	2 873 439 469	16 590 173	307 368 890	27 127 103	4 003 362 658
Additions		36 782 424	113 530 797	36 444 728	2 747 378	10 614 696	2 029 102	202 149 125
Transferred from assets under construction (Note No. 12)						1 043 700		1 043 700
Balance at December 31, 2024	50 243 436	724 195 681	154 711 127	2 909 884 197	19 337 551	319 027 286	29 156 205	4 206 555 483
ACCUMULATED DEPRECIATION								
Balance at January 1, 2023		329 992 464	21 627 974	1 587 595 726	10 785 432	168 726 921	21 336 993	2 140 065 510
Depreciation expenses		28 494 758	3 969 625	158 217 273	1 085 842	16 043 259	1 491 290	209 302 047
Adjustments				(217 255)				(217 255)
Accumulated depreciation of disposals			(281 877)			(1 706)		(283 583)
Balance at December 31, 2023		358 487 222	25 315 722	1 745 595 744	11 871 274	184 768 474	22 828 283	2 348 866 719
Balance at January 1, 2024		358 487 222	25 315 722	1 745 595 744	11 871 274	184 768 474	22 828 283	2 348 866 719
Depreciation expense		29 751 135	10 159 851	155 300 868	1 046 329	16 962 029	2 729 969	215 950 181
Balance at December 31, 2024		388 238 357	35 475 573	1 900 896 612	12 917 603	201 730 503	25 558 252	2 564 816 900
CARRYING AMOUNT								
At December 31, 2024	50 243 436	335 957 324	119 235 554	1 008 987 585	6 419 948	117 296 783	3 597 953	1 641 738 583
At December 31, 2023	50 243 436	328 926 035	15 864 608	1 127 843 725	4 718 899	122 600 416	4 298 820	1 654 495 939

The depreciation expense of furniture and computers is included in the general and administrative expenses, Note (6) amounted to EGP 3 776 298. The depreciation expense of the remaining assets is included in the cost of sales of Note (5) amounted to EGP 212 173 883.

12. Assets under construction

EGP	December 31, 2024	December 31, 2023
Beginning balance	2 426 563	3 952 133
Additions	705,472,770	1 735 742
Transferred to fixed assets (Note No. 11)	(1 043 700)	(3 261 312)
Ending balance	706 855 633	2 426 563

Assets under construction are represented in the following categories:

EGP	December 31, 2024	December 31, 2023
Machinery and equipment*	704 824 139	1 735 742
Other installations	2 031 494	690 821
Total	706 855 633	2 426 563

* The machinery and equipment as of December 31, 2024, represents the following projects:

- Project of conversion of the Electrostatic Precipitators (Main ESP) to a cutting-edge Bag Filters for dust emission control amounted to EGP 263 493 662.
- Project of installing four units producing Hydrogen from water via electrolysis process amounted to EGP 441 330 477.

13. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
Cost			
Cost as of January 1, 2023	563 204 713	225 200 000	788 404 713
Cost as of December 31, 2023	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2023	(371 936 349)	(225 200 000)	(597 136 349)
Amortization for the year	(28 156 249)	--	(28 156 249)
Total accumulated amortization as of December 31, 2023	(400 092 598)	(225 200 000)	(625 292 598)
Cost			
Cost as of January 1, 2024	563 204 713	225 200 000	788 404 713
Cost as of December 31, 2024	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2024	(400 092 598)	(225 200 000)	(625 292 598)
Amortization for the year	(28 156 249)	--	(28 156 249)
Total accumulated amortization as of December 31, 2024	(428 248 847)	(225 200 000)	(653 448 847)
Net book value at December 31, 2024	134 955 866	--	134 955 866
Net book value at December 31, 2023	163 112 115	--	163 112 115

Operating license

The General Industrial Development Association has granted the Company a license for operating the cement factory on May 21, 2008 for an amount of EGP 281.4 million for the 1st production line payable as follows: 15% advance payment, and the remaining amount is payable over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months at the Central Bank of Egypt (CBE) interest rate.

The above-mentioned value will be also applied for the second line payable as follows: 25% will be paid as an advance payment and the residual amount will be settled over a period of 3 years according to the interest rate determined by Central Bank of Egypt (CBE).

Electricity contract

Intangible assets represent the value of the contract concluded with the Ministry of Electricity on March 11, 2010. The Ministry of Electricity identifies the needs of heavy industrial projects and arranges their needs, either through the establishment of new stations or already established stations. The cost of investments payable by the Company is EGP 217.2 million as determined by the Ministry and is payable as follows:

- 15% advance payment equivalent to EGP 32.58 million.
- 120 monthly instalments due on the first of every month starting April 2010 for an amount of EGP 1.22 million per each instalment.
- 120 monthly instalments due on the first of every month starting February 2011 for an amount of EGP 1.342 million per each instalment.
- In addition to an amount of EGP 8 million for the allocation of two cells of the traditional type, to be paid in four quarterly instalments and the last instalment was due on February 1, 2011.

14. Investments in subsidiaries (net)

The Company has control over all the subsidiaries as listed below:

Company name	Domicile	Share/ Paid - in capital	December 31, 2024 EGP	December 31, 2023 EGP	Principal activities	Proportion of ownership interest and voting power held by the Company
1- Andalus Concrete Company	Egypt	99.99%	30 926 807	30 926 807	Concrete products, mainly ready mix	99.99%
2- Evolve Investment & Projects Management Company	Egypt	99.99%	16 499 750	16 499 750	Alternative fuel and recycling	99.99%
3- ACC for Management and Trading Company	Egypt	99.99%	49 500	49 500	Providing managerial services	99.99%
			47 476 057	47 476 057		
Less: Impairment losses on investment in subsidiaries			(17 160 843)	(17 160 843)		
Net balance			30 315 214	30 315 214		

15. Investments in a joint venture (net)

Name of joint venture	Place of incorporation	Proportion of ownership interest and voting power held by the company	December 31, 2024	December 31, 2023
			EGP	EGP
Andalus Reliance for Mining Company	Egypt	50%	--	125 000
Less: Impairment losses on a joint venture*			--	(125 000)
Net Balance			--	--

*The movement during the year for the impairment losses in investment in a joint venture analysed as follows:

EGP	December 31, 2024	December 31, 2023
Opening balance	125 000	--
Formed during the year	--	125 000
Reversed during the year	(125 000)	--
Ending balance	--	125 000

**During the year, the company sold its share in Andalus Reliance for Mining Company at a gain of EGP 1 925 000 recognized in the separate statement of profit or loss as gain on selling of investment in a joint venture.

16. Inventories

EGP	December 31, 2024	December 31, 2023
Raw materials	152 314 346	67 730 295
Fuel	374 070 114	198 647 084
Packing materials	49 406 144	60 632 591
Spare parts	65 883 236	25 988 452
Work in progress	4 629 032	3 078 115
Finished goods	196 154 069	620 797 199
Good in transit	1 735 050	--
Total	844 191 991	976 873 736

The cost of inventories charged to cost of sales amount to EGP 5 210 148 117(note 5).

17. Trade receivables

EGP	December 31, 2024	December 31, 2023
Trade receivables	106 464 102	185 976 365
Total	106 464 102	185 976 365

Aging of receivables that are past due but not impaired:

EGP	2024	2023
Less than 30 days	106 464 102	185 976 365
Total	106 464 102	185 976 365

18. Debtors and other debit balances (net)

EGP	December 31, 2024	December 31, 2023
Advance to suppliers	337 240 599	146 461 127
Unbilled receivables	12 200 276	19 713 183
Withholding tax	41 462 579	17 727 035
Prepaid expenses	27 363 011	17 742 064
Value added tax	2 881 728	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	3 447 653	3 418 453
Employees' dividends in advance*	15 045 727	10 576 346
Letters of guarantee and letters of credit – cash margin	159 800 453	8 378 849
Cash imprest	6 259 445	4 275 838
Less: - Impairment losses on debtors	(1 607 808)	(1 607 808)
Total	605 665 790	231 138 942

* The employees' dividends paid in advance is pending the approval of the Ordinary General Assembly Meeting of the Company that will be held in year 2025.

19. Cash and bank balances

EGP	December 31, 2024	December 31, 2023
Cash on hand	11 171 854	5 626 062
Current account – local currency	815 334 732	454 198 012
Current account – foreign currency	824 749 599	35 933 804
Bank deposits	5 176 272	48 877 272
Total	1 656 432 457	544 635 150

20. Issued and paid-up capital

EGP	December 31, 2024	December 31, 2023
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued capital	757 479 400	757 479 400

21. Legal reserve

In accordance with the Companies' Law No.159 of 1981 and the Company's Articles of Incorporation, 10% of annual net profit is appropriated to legal reserve. The entity shall cease the appropriation when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

22. Retained earnings

EGP	December 31, 2024	December 31, 2023
Beginning balance	688 085 124	140 646 840
Transferred to legal reserve	(68 798 236)	(34 250 493)
Dividends distributed to shareholders	(600 302 425)	(99 229 802)
Dividends distributed to employees	(10 576 346)	(7 063 780)
Total comprehensive income for the year	1 158 655 739	687 982 359
Ending balance	1 167 063 856	688 085 124

23. Borrowings

EGP	Current		Non-current	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
First: Credit facilities				
Credit facilities – CIB*	615 044 229	73 528 497	--	--
Credit facilities – NBE	--	16 545 438	--	--
Credit facilities – EG	--	338	--	--
Total Facilities	615 044 229	90 074 273	--	--
Second: Borrowings				
Bank loan – NBE**	25 481 075	--	120 392 380	--
Total bank Loan	25 481 075	--	120 392 380	--

* Commercial international bank (CIB)

On September 29, 2024, the company renewed the borrowing contract with Commercial International Bank "CIB" (Egypt) S.A.E as the "Lending Bank" entered into agreement with the company (borrower), The bank has agreed to extend the borrower facility packages for EGP 650 million with interest of 0.6% calculated annually over corridor offer rate debited monthly as this borrowing contract may be used for the case of :

- Loan in local currency or maximum tenor of 120 days with the purpose of financing company's working investment needs including raw materials, transportation, fees of export business, spare parts, purchases, and supplier payments.
- Opening letter of credit and IDCs in foreign currency subject that does not exceed at any point the amount of facility.
- Financing spare parts small machinery and related services financing to be capped at EGP 60 million.
- Plant operation dues Reliance Heavy Industrial to be limited to 50% of the facilities at any point in time, which is equivalent to an amount of EGP 325 million.

The contract obligates the company with the following:

- Customs insurances fees, customs agent's fees, and other expenses related to factory & taxes to be capped at 20% of the facility.
- Salaries and wages to be capped at 3% of the facility.
- Utilities (excluding Electricity) to be capped at 10% of the facility.
- Utilities (Electricity) to be capped at 10% of the facility.
- The main shareholder undertakes an irrevocable and unconditional undertaking not to waive any portion of the controlling interest that is less than 50% plus (1) share without obtaining the bank's prior written consent.
- Endorsement of the Borrower's all-risk insurance policy/policies in favour of the lender for itself and on behalf of the lenders in all assets, covering not less than 110% of the loans extended to the borrower.

- Not to incur any additional indebtedness excluding the 200 MEGP from NBE to finance working investment and long-term debts with total amount of EUR 3,090,000 and long-term debts from European Bank for Reconstruction and Development (EBRD) for the amount of 25,100,000 Euro prior to notifying the bank.
- Not to distribute dividends unless the Borrower is in compliance with all financial covenants pre and post distribution and no occurrence of the event of default would be caused as a result of said distribution.
- The borrower undertakes that the financial leverage ratio shall not to exceed (1.5) thereafter throughout the remaining tenor of the facility.
- The Borrower undertakes that the net financial Debt to EBITDA shall not exceed 2 times.

**** National Bank of Egypt - NBE**

On July 23, 2024, a facility agreement have been signed between the Company (the "borrower") and the National Bank of Egypt (the "lender") for the Anti - Industrial Pollution Program "third phase", and under the grant from KfW Development Bank's grant for industrial pollution control projects with a total amount of Euro 3 090 000 to be paid over five years in 20 quarterly installments at an interest rate of 3% above the Euribor rate for 6 months. The monthly commission is calculated at a rate of one per mille on the highest debit balance for the amounts withdrawn or used from the facility agreement. The financing amount shall be utilized as follows:

- Pay the amounts due to contractors and/ or local and foreign suppliers through making banking transfers in favor of the Project's contractors and suppliers by virtue of supply agreements approved by the Egyptian Environmental Affairs Agency's (EEAA) Project Implementation Unit (PIU) supported by invoices, progress payments and/ or claims approved by the Borrower.
- Open irrevocable at-sight / deferred letters of credit (LCs) and/ or accept incoming documentary related to the Project, and
- Refinance or pay the shipping documents received under opened LCs and/ or issued LGs, and/ or pay the value of the documentary collections related to the project.

To guarantee the facility including principal amount, interests, commissions, expenses and fees and/or any other due amounts under this facility, and as a guarantee for the borrower performance of the obligations subject to this Contract, the Borrower presents to the Bank to increase the existing commercial mortgage in favor of the Bank in the amount of the tangible assets contemplated herein. In case of canceling the mortgages made on the Borrower's assets, a first-degree commercial mortgage shall be taken out on the tangible assets, subject of the Facility within 3 months from the Project's completion date.

The pledges in the financing agreement other than the guarantees referred to earlier included the followings:

- Not incur any indebtedness and/or loans or facilities from the banking sector whether inside or outside of Egypt unless a prior written consent from the Bank is obtained.
- Obtain the required certificate from EEAA, which shall indicate pollution abatement as per the relevant study.
- Not to pay any dividends except after repaying any amounts due under the Facility.
- The leverage ratio shall not exceed 2.5 times during the fiscal year ended December 31, 2024.
- The Borrower shall take out an insurance on all relevant works and property forming part of the Project, in the range of 110% of the full amount of facility.

According to the terms of the facility agreement, the borrower enjoys a grant provided by the bank at different percentages of the value of the facility, determined according to several conditions stipulated in the financing contract, where no return is calculated on those percentages and/or is reduced from the value of the facility.

24. Trade and notes payable

EGP	Current		Non-current	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Local trade payables	324 511 553	261 446 819	--	--
Foreign trade payables**	469 102 287	754 662 520	301 142 055	--
Notes payable*	1 788 996	2 755 518	--	1 788 996
Total	795 402 836	1 018 864 857	301 142 055	1 788 996

* The value of the notes payable represents the value of the checks issued in favour of City Gas, which resulted from the settlement of the previous dispute with the company regarding the differences in gas consumption, and a settlement in 2020 agreement was reached whereby the company charged EGP 19 847 553, which was paid with notes payables until 2025 recognized at net present value, The undiscounted value of the notes payables obligation at the end of the year amounted to EGP 2 847 553, and these amount have been charged to other general and administrative expenses.

** The foreign trade payables as of December 31, 2024, include the present value for installing four units producing green Hydrogen from water via electrolysis process. The undiscounted value for the project amounted to Euro 8 031 000 (equivalent to EGP 421 980 061), and the total present value for the project amounted to Euro 7 513 941 (equivalent to EGP 394 811 783). The non-current portion of the present value amounted to EGP 301 142 055.

25. Provisions

EGP	Provision for claims
Balance at January 1, 2024	50 729 412
Formed during the year	32 203 488
Used during the year	(27 436 103)
Balance at December 31, 2024	55 496 797

Management annually reviews and adjusts these provisions based on the latest developments, discussions and agreements with the involved parties.

26. Dividends payable

On December 3, 2024, the Ordinary General Assembly of the Company approved to distribute dividends for the employees amounted to EGP 10 576 346 for 2023 results and has approved to distribute dividends for the shareholders amounted to EGP 600 302 425 for the results of the year ended December 31, 2023.

In respect of the current year ended December 31, 2024, the Board of Directors proposed dividends to the employees at the annual General Assembly Meeting according to the below table:

EGP	2024
Retained earnings opening balance	688 085 124
Total comprehensive income for the year	1 158 655 739
Transferred to legal reserve	(68 798 236)
Dividends distributed to shareholders	(600 302 425)
Dividends distributed to employees	(10 576 346)
Distributable net profits	1 167 063 856
To be distributed during next year as follows:	
Transferred to legal reserve	(15 238 469)
Dividends to be distributed to employees – Note (18)	(15 045 727)
Retained earnings balance	1 136 779 660

27. Creditors and other credit balances

EGP	December 31, 2024	December 31, 2023
Advances from customers	71 489 550	112 670 427
Accrued expenses	44 337 709	29 800 287
Accrued development fees	9 173 338	9 862 067
Accrued customers rebates	115 642 455	97 341 140
Accrued taxes	26 412 364	31 292 927
Accrued interest	12 334 452	--
Deferred Revenue	9 466 637	10 959 070
Retention	30 472 002	4 830 301
Total	319 328 507	296 756 219

28. Financial instruments

28.1 Capital risk management

The Company manages its capital to ensure that will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the entity consists of net debt (borrowings and other liabilities, offset by cash and bank balances) and equity of the Company (comprising issued capital, legal reserve and retained).

The Company is not subject to any externally imposed capital requirements.

28.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.14 Financial instruments.

28.3 Categories of financial instruments

EGP	December 31, 2024	December 31, 2023
Financial assets (i)		
Cash and bank balances (Note 19)	1 656 432 457	544 635 150
Trade receivables (Note 17)	106 464 102	185 976 365
Due from related parties (Note 29)	5 227 083	8 481 160
Financial liabilities (ii)		
Borrowings (Note 23)	145 873 455	--
Credit facilities (Note 23)	615 044 229	90 074 273
Lease liabilities (Note 31)	5 268 353	11 220 907
Dividends payable (Note 26)	600 302 425	99 229 802
Due to related parties (Note 29)	4 912 892	5 543 349
Trade and notes payable (Note 24)	1 096 544 891	1 020 653 853
Creditors and other credit balances (Note 27)	319 328 507	296 756 219

- (i) A total of EGP 1.45 billion (2023: EGP 1.2 billion) of other current assets does not meet the definition of a financial asset.
- (ii) A total of EGP 661 million (2023: EGP 549 million) of other current and non-current liabilities does not meet the definition of a financial liability.

28.4 Financial risk management objectives

In the course of its business, the Company is exposed to a number of financial risks. This note presents the Company objectives, policies and processes for managing its financial risks and capital. These risks include market risk (including currency risk, and interest rate risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks mainly through operational and finance activities.

28.5 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 28.6 below) and interest rates (Note 28.7).

28.6 Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated, are U.S. Dollar (USD), and Euro (EUR).

The Company's main foreign exchange risk arises from purchases of raw materials in foreign currency and the USD loans used to finance the construction of the production facility (the Cement Plant) of the Company.

The following table shows the carrying amounts of borrowings (NBE loan), at the end of the reporting year, in the major currencies in which they are issued.

Borrowings

EGP	December 31, 2024	December 31, 2023
EUR	2 776 221	--
Total	2 776 221	--

At the end of the reporting year, the carrying amounts of the Company's major foreign currency denominated monetary assets (mainly receivables and cash at banks) and monetary liabilities (mainly foreign suppliers and due to related parties), at which the entity is exposed to currency rate risk, are as follows:

EGP	Liabilities		Assets	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Currency-USD	343 480 899	754 424 405	1 034 217 391	266 908 148
Currency-EUR	572 636 922	238 115	57 875 417	2 440 736
Currency-GBP	--	--	168 794	104 466

28.6.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the U.S. Dollar (USD), and Euro (EUR) transactions arising from the purchase of raw materials in foreign currencies and the USD loans used to finance the construction of the production facility (the Cement Plant) of the Company.

The following table analysis the entity's sensitivity to a 10% increase and decrease in EGP against the relevant foreign currencies. The (10%) is the sensitivity rate used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

The sensitivity analysis includes outstanding borrowings, cash at bank, trade receivables, other debit balances, due to related parties and foreign suppliers within the entity.

A positive number below indicates an increase in profit or equity where the EGP strengthens 10% against the relevant currency. For a 10% weakening of the EGP against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

EGP	Currency Impact	
	December 31, 2024	December 31, 2023
USD - Profit / (loss)	69 073 649	(48 751 626)
EURO - Profit / (loss)	(51 476 150)	220 262
GBP - Profit / (loss)	16 879	10 447

28.7 Interest rate risk management

The Company is exposed to interest rate risk because entities in the entity borrow funds at floating interest rates.

28.7.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A '100 basis point' (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the entity's profit for the year ended December 31, 2024, would decrease / increase by EGP 7 661 860 (2023: decrease / increase by EGP 1 012 952). This is mainly attributable to the entity's exposure to interest rates on its variable rate borrowings.

28.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company credit risk arises from transactions with counterparties, mainly individual customers, and corporations. The Company is dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure to credit risk is, to a great extent, influenced by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as a means of mitigating the risk of financial loss from defaults. The entity's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables do not consist of a large number of customers. The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral, if any.

28.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

EGP	Due in 1 year		Due more than year and less the 3 years		Due more than 3 years	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Borrowings	25 481 075	--	55 383 180	--	65 009 200	--
Lease liabilities	3 625 821	9 481 649	1 642 532	1 739 258	--	--
Trade and notes payables	795 402 836	1 018 864 857	197 293 261	1 788 996	103 794 848	--
Credit Facilities	615 044 229	90 074 273	--	--	--	--
Current income tax liability	366 450 380	215 862 692	--	--	--	--
Due to related parties	4 912 892	5 543 349	--	--	--	--
Dividends payable	600 302 425	99 229 802	--	--	--	--
Creditors and other credit balances	319 328 507	296 756 219	--	--	--	--

28.10 Fair value measurement

Fair value is the price that would be received from any sale of any asset or any payment against any liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or pay the liability takes place either:

- In the asset's or liability's primary market; or
- In the absence of a primary market, in the most beneficial market for the asset or liability.

The Company should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Group takes into consideration all information reasonably available.

The Company has no financial assets or liabilities at fair value in the separate financial statements as at December 31, 2024.

29. Related party transactions

A party (a company or individual) is related to an entity if:

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - ii. Has an interest in the entity that gives it significant influence over the entity; or
 - iii. Has joint control over the entity.
- b) The party is an associate of the entity or a joint venture in which the entity is a venture (both defined in EAS 43 Investments in Associates and Joint Ventures);
- c) The party is a member of the key management personnel of the entity or its parent;
- d) The party is a close member family of any individual referred to in (a) or (b);
- e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (a) or (b); or
- f) The party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is related party of the entity.

During the year, entity entered into the following transactions with related parties:

EGP	Relation type	Transaction nature	Volume of the transactions	
			December 31, 2024	December 31, 2023
Andalus Concrete Company	Subsidiary	Sales	44 849 846	11 007 916
ACC for Management and Trading Company	Subsidiary	Services	162 887 585	100 354 328
Evolve Investment & Projects Management Company	Subsidiary	Purchases	161 433 259	38 414 055
Cementos La Union-Spain company	Subsidiary of the parent Company	Services	7 694 831	5 103 611

The following balances were outstanding at the end of the reporting year:

EGP	Due from related parties		Due to related parties	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Andalus Concrete Company	5 070 425	5 826 297	--	--
Evolve Investment & Projects Management Company	--	--	4 684 137	5 543 349
ACC for Management and Trading Company	--	2 559 495	228 755	--
Cementos La Union – Spain Company	156 658	95 368	--	--
Total	5 227 083	8 481 160	4 912 892	5 543 349

- Andalus Concrete Company purchases cement materials and products from Arabian Cement Company, which are used for manufacturing and trading concrete and construction materials.
- ACC for Management and Trading Company renders managerial services for Arabian Cement Company.
- Cementos La Union – Spain renders technical support services for Arabian Cement Company.
- Andalus Reliance for Mining Company supplied the raw materials for Arabian Cement Company.
- Evolve Investment & Projects Management Company supplied the raw materials for Arabian Cement Company.

30. Contingent liabilities

Contingent liabilities during the year amounted to EGP 160 105 255, which is represented by the value of letters of guarantee and letters of credit issued by Export Development Bank of Egypt.

31. Lease

31.1 Right of use assets

EGP	Land and buildings	Total
Cost		
Cost as of January 1, 2024	29 887 393	29 887 393
Additions during period	2 719 197	2 719 197
Termination	(4 101 957)	(4 101 957)
Cost as of December 31, 2024	28 504 633	28 504 633
Less: - Accumulated amortization		
Accumulated amortization as of January 1, 2024	(16 985 887)	(16 985 887)
Amortization for the year	(7 082 414)	(7 082 414)
Total accumulated amortization as of December 31, 2024	(24 068 301)	(24 068 301)
Net book value at December 31, 2024	4 436 332	4 436 332
Net book value at December 31, 2023	12 901 506	12 901 506

The interest rate used for the opening balances is 21.29% and the interest rate use for the additions during the year is 29.75%. The lease terms are between 2 and 3 years.

31.2 Financial lease liabilities

Financial lease liability recognized in the separate statement of financial position.

EGP	Current		Non-current	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Lease liabilities	3 625 821	9 481 649	1 642 532	1 739 258
Total	3 625 821	9 481 649	1 642 532	1 739 258

The movement for the lease liabilities during the year is analyzed as follows:

Amount EGP	December 31, 2024	December 31, 2023
Beginning balance	11 220 907	13 135 634
Additions	2 719 197	7 400 643
Termination	(5 625 996)	(784 140)
Interest expenses	1 237 302	1 296 489
Payment during the year	(4 283 057)	(9 827 719)
Ending Balance	5 268 353	11 220 907

32. Capital Commitments

The capital commitment for the year ended December 31, 2024, amounted to EGP 468 305 827.

33. Tax position

Corporate income tax

The profits of the company are subject to tax on the income in accordance with the provisions of the Income Tax Law No. 91 of 2005 and its Executive regulations as amended.

The tax return for the year 2005 was approved by the Tax Authority.

Years from 2006 to 2016

The Company's books for these years have been inspected by the Tax Authority and the Company have paid and settled the due taxes.

Years from 2017 to 2019

The Company's books for these years have been inspected by the Tax Authority and the Company have paid the base amount for the due taxes and the Company is currently clearing with the Tax Authority the late interest due amounts.

Years from 2020 to 2022

The Company's books for these years have been inspected by the Tax Authority and the Company have paid and settled the principle amounts taxes and the terms of dispute were referred to the Internal Committee.

The principal amount has been paid except for terms of dispute.

Value added tax / Sales tax

For the period from inception until December 31, 2020

The Company's books for this period have been inspected by the Tax Authority and the Company have paid and settled the due taxes.

For the years from December 31, 2021 till December 31, 2024

The Company has filed the tax return on the due date and the Tax Authority has not yet inspected the Company's books for these years.

Stamp tax

For the period from inception to December 31, 2020

The Company's books for this period have been inspected by the Tax Authority and the Company have paid and settled the due taxes.

For the years from December 31, 2021 to December 31, 2024

The Tax Authority has not yet inspected the Company's books for these years.

Payroll tax

For the period from inception to December 31, 2022

The Company's books for this period have been inspected by the Tax Authority and the Company have paid and settled the due taxes except for the due late interest for the years from 2015 until 2022.

2023 and 2024

The Company is currently preparing the required documents for the payroll tax inspection for these years.

Real estate tax

The value of the real estate tax claims until 2020 on the Company's factory in Suez amounted to EGP 5 427 873, and the company has paid EGP 7 million, with a remaining debit balance mounted to EGP 1 527 127.

The Tax Authority estimated a real estate tax on the Company's administrative building in Cairo Governorate at EGP 403 920, and this estimate was challenged. The Appeal Committee issued its decision to reduce the tax to EGP 262 500 for the years 2020/2023 and the Company has accepted the inspection results.

Development fee

The Company pays the due development fee for the cement produced from local clinker only. The Company has received claims for the payment of development fee differences, represented as follows:

The development fee due and the delay penalties have been paid until 2016.

The Company received the claim for the development fees difference for the year 2017 and 2018 in the amount of EGP 3 783 062 and the file was referred to the Appeal Committee. The decision of the Appeal Committee was issued for the year 2018, whereby the company is liable to a tax of EGP 94 860, and there is still a dispute over the development fee due for the year 2017, amounting to EGP 1 196 265.

The Company paid all development fees on cement produced from local clinker until December 2023.

Withholding Tax

- The company was inspected for the years from 2013 until 2016 and the due taxes have been paid.
- The company pay the withholding taxes amounts on a regular basis every 3 months.

34. Significant Events during the current year

- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on February 1, 2024, to increase the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points to reach 21.25%, 22.25% and 21.75%, respectively. The discount rate was also increased by 200 basis points to 21.75%.
- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on March 6, 2024, to increase the overnight deposit and lending rates and the central bank's main operation rate by 600 basis points to reach 27.25%, 28.25% and 27.75%, respectively. The discount rate was also increased by 600 basis points to 27.75%.
- The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on March 6, 2024, to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms.
- On March 3, 2024, the Prime Minister's Decision No. (636) of 2024 was issued and included the replacement of the provisions of some Egyptian Accounting Standards with amended ones. Below is the list of Egyptian Accounting Standards that were replaced with amended ones:
 - Egyptian Accounting Standard No. 32 "Impacts of changes in Foreign Currency Exchange Rates"
 - Egyptian Accounting Standard No. 17 "Separate Financial Statements"
 - Egyptian Accounting Standard No. 34 "Real Estate Investment"
 - The Decree also introduced the Accounting Interpretation No. 2 "Certificates of Reducing Carbon Emissions".

- On 23 May, 2024, the Prime Minister issued the Ministerial Decree No. 1711 for the year 2024 to amend some provisions of the Egyptian Accounting Standards by adding annex (E) to the Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates". The annex aims to introduce a special and optional accounting treatment for the implications resulted from the movement of the foreign currency exchange rates. The special accounting treatment that is introduced in this annex is not considered an amendment to the Egyptian Accounting Standards that are currently in place. The annex includes the following two options:

First option:

Applying the provisions of the amended Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" that was issued in 2024. When applying the amended Egyptian Accounting Standard No. 13, the entity should not restate comparative information.

Instead:

- A) When the entity reports foreign currency transactions in its functional currency, and, at the date of initial application (which is the beginning of the annual reporting period in which an entity first applies the amendments), concludes that its functional currency is not exchangeable into the foreign currency or, if applicable, concludes that the foreign currency is not exchangeable into its functional currency, the entity should, at the date of initial application:
 - 1) Translate affected foreign currency monetary items, and non-monetary items measured at fair value in a foreign currency, using the estimated spot exchange rate at that date; and
 - 2) Recognize any effect of initially applying the amendments as an adjustment to opening retained earnings.
- B) When the entity uses a presentation currency other than its functional currency, or translates the results and financial position of a foreign operation, and, at the date of initial application, concludes that its functional currency (or the foreign operation's functional currency) is not exchangeable into its presentation currency or, if applicable, concludes that its presentation currency is not exchangeable into its functional currency (or the foreign operation's functional currency), the entity should, at the date of initial application:
 - 1) Translate affected assets and liabilities using the estimated spot exchange rate at that date;
 - 2) Translate affected equity items using the estimated spot exchange rate at that date if the entity's functional currency is hyperinflationary and recognize any effect of initially applying the amendments as an adjustment to the cumulative amount of translation differences, accumulated in a separate component of equity.

Second option:

Setting additional option to paragraph (28) of the Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" which requires the recognition of the foreign exchange differences in the statement of profit or loss for the period in which they incur. Alternatively, an entity that has outstanding liabilities in foreign currency on the date of the movement of the exchange rates that are related to:

- Preparty, plant, and equipment or investment property or intangible assets (other than goodwill) or mining assets or and right of use assets for lease contracts, to recognize within the cost of those assets the debit currency differences resulting from the paid part of these obligations during the financial period of applying this special accounting treatment in addition to the foreign currency differences resulting from translating the remaining balance of these liabilities as at March 6, 2024 or at the end of the closing date of the financial statements for the financial period of applying this special accounting treatment.
- Also, this treatment permits an entity to recognize foreign exchange gain or loss resulting from the revaluation of monetary balances in foreign currencies that are outstanding as at March 6, 2024 or at the end of the closing date of the financial statements for the financial period of applying this special accounting treatment to be recognized in the statement of other comprehensive income.

The company's management has decided not to apply any of the optional treatments mentioned above for the period ended September 30, 2024.

- On October 23, 2024, The Prime Minister issued Decree No.3527 for the year 2024 to amend some provisions of the Egyptian Accounting Standards by adding the Accounting Standards No. (51) "Financial Reporting in Hyperinflationary Economies". The effective date of applying this new Accounting Standards is pending the issuance of the application guidelines by the Prime Minister or his authorized representative.

35. Significant subsequent events to the date of the separate financial statements

On February 11, 2025, The Board of Directors of the Company has approved a new loan agreement between the Company and the EBRD ("European Bank for Reconstruction and Development") amounted to Euro 25 million, to support the environmental projects.

36. Approval of separate financial statements

The separate financial statements were approved by the directors and authorized for issue on March 23, 2025.

Sergio Alcantarilla Rodriguez

Chief Executive Officer



Arturo Gallart Mauri

Chief Financial Officer