

Arabian Cement Company S.A.E.
Condensed Separate Interim Financial Statements
together with Limited Review Report
for the six months period ended June 30, 2025

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Limited Review Report

To: The Board of directors of Arabian Cement Company

Introduction

We have conducted the limited review of the accompanying condensed separate interim financial position of Arabian Cement Company S.A.E. as of June 30, 2025, and the related condensed separate Interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Statements. Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements as of June 30, 2025, are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Statements.

Cairo, August 14, 2025




Wafik Alfred Hanna
CPA, FESAA
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Arabian Cement Company (S.A.E.)
Condensed Separate Interim Statement of Financial Position
as of June 30, 2025

	Note No.	June 30, 2025	Dec 31, 2024
		EGP	EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(10)	1 622 676 317	1 641 738 583
Assets under construction	(11)	765 660 553	706 855 633
Intangible assets (net)	(12)	120 993 452	134 955 866
Right of use assets (net)	(25-1)	2 826 630	4 436 332
Investment in subsidiaries (net)	(13)	30 315 214	30 315 214
Total non-current assets		2 542 472 166	2 518 301 628
Current assets			
Inventories	(14)	830 558 962	844 191 991
Trade receivables	(15)	188 898 540	106 464 102
Debtors and other debit balances (net)	(16)	684 334 090	605 665 790
Due from related parties	(24)	19 810 892	5 227 083
Cash and bank balances	(17)	1 886 659 873	1 656 432 457
Total current assets		3 610 262 357	3 217 981 423
Total assets		6 152 734 523	5 736 283 051
Equity and liabilities			
Equity			
Issued and paid-up capital	(18)	757 479 400	757 479 400
Legal reserve	(19)	378 739 700	363 501 231
Retained earnings		2 530 801 591	1 167 063 856
Total equity		3 667 020 691	2 288 044 487
Liabilities			
Non-current liabilities			
Borrowing	(21)	139 325 251	120 392 380
Deferred tax liabilities (net)	(8-3)	247 338 719	239 016 635
Lease liabilities	(25-2)	1 599 380	1 642 532
Trade and notes payable	(20)	281 709 786	301 142 055
Total non-current liabilities		669 973 136	662 193 602
Current liabilities			
Trade and notes payable	(20)	661 332 812	795 402 836
Credit facilities	(21)	95 081 604	615 044 229
Current income tax liabilities	(8-2)	458 237 855	366 450 380
Current portion of long term borrowing	(21)	28 329 858	25 481 075
Lease liabilities	(25-2)	3 530 565	3 625 821
Creditors and other credit balances	(23)	498 724 479	319 328 507
Due to related parties	(24)	20 548 065	4 912 892
Dividends payable		--	600 302 425
Provisions	(22)	49 955 458	55 496 797
Total current liabilities		1 815 740 696	2 786 044 962
Total Liabilities		2 485 713 832	3 448 238 564
Total equity and liabilities		6 152 734 523	5 736 283 051

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer

Arturo Gallart Mauri
Chief Financial Officer

- Auditor's limited review attached.




Translation of the separate financial statements
originally issued in Arabic

Arabian Cement Company (S.A.E)

Condensed Separate Interim Statement of Profit or Loss

for the six months period ended June 30, 2025

Note No.	The three months period ended in		The six months period ended in	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	EGP	EGP	EGP	EGP
Sales (net)	2 919 720 627	1 973 093 257	5 445 890 280	3 881 834 152
Cost of sales	(1 702 204 813)	(1 630 623 799)	(3 314 408 012)	(3 009 343 923)
Gross profit	1 217 515 814	342 469 458	2 131 482 268	872 490 229
Add/(deduct):				
General and administrative expenses	(123 059 815)	(84 862 744)	(220 659 592)	(154 896 672)
Provisions	(2 900 000)	(1 717 650)	(5 800 000)	(5 172 650)
Interest income	36 443 755	9 336 512	54 742 425	21 585 925
Other income	1 495 797	5 201 521	3 365 050	6 858 806
Gain on sale of property, plant, and equipment	--	--	1 140 000	--
Reversal for impairment of investment in a joint venture	--	125 000	--	125 000
Gain on selling of investment in a joint venture	--	1 925 000	--	1 925 000
Finance costs	(6 864 252)	(12 603 975)	(30 959 582)	(37 562 717)
Foreign currency exchange losses	(38 502 221)	(22 792 784)	(63 689 314)	(266 990 828)
Net profit for the period before tax	1 084 129 078	237 080 338	1 869 621 255	438 362 093
Income taxes	(278 344 947)	(47 726 824)	(475 599 324)	(98 470 311)
Net profit for the period after tax	805 784 131	189 353 514	1 394 021 931	339 891 782
Earnings per share for the period	2.11	0.49	3.66	0.88

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



Sergio Alcantarilla Rodríguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Translation of the separate financial statements
originally issued in Arabic

Arabian Cement Company (S.A.E)
Condensed Separate Interim Statement of Comprehensive Income
for the six months period ended June 30, 2025

	<u>for the three months period ended in</u>		<u>for the six months period ended in</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period after tax	805 784 131	189 353 514	1 394 021 931	339 891 782
Items of other comprehensive income	--	--	--	--
Comprehensive income for the period	805 784 131	189 353 514	1 394 021 931	339 891 782

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer

Arturo Gallart Mauri
Chief Financial Officer

Translation of the separate financial statements
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Arabian Cement Company (S.A.E)
Condensed Separate Interim Statement of Changes in Shareholders' Equity
for the six months period ended June 30, 2025

	Note No.	<u>Issued and paid-up capital</u>		<u>Legal reserve</u>		<u>Retained earnings</u>		<u>Total</u>	
		<u>EGP</u>		<u>EGP</u>		<u>EGP</u>		<u>EGP</u>	
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)		--	
Dividends distributed to employees		--		--		(10 576 346)		(10 576 346)	
Total comprehensive income for the year		--		--		339 891 782		339 891 782	
Balance as of June 30, 2024		757 479 400		363 501 231		948 602 324		2 069 582 955	
Balance as of January 1, 2025		757 479 400		363 501 231		1 167 063 856		2 288 044 487	
Transferred to legal reserve		--		15 238 469		(15 238 469)		--	
Dividends distributed to employees	(26)	--		--		(15 045 727)		(15 045 727)	
Total comprehensive income for the year		--		--		1 394 021 931		1 394 021 931	
Balance as of June 30, 2025		757 479 400		378 739 700		2 530 801 591		3 667 020 691	

- The accompanying notes form an integral part of the condensed separate interim 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)
Condensed Separate Interim Statement of Cash flow
for the six months ended June 30, 2025

	<u>Note No.</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		1 869 621 255	438 362 093
<u>Adjusted by:</u>			
Finance costs	(6)	30 959 582	37 562 717
Interest income		(54 742 425)	(21 585 925)
Depreciation of property, plant and equipment	(10)	116 981 648	105 233 398
Gain on sale of property, plant and equipment		(1 140 000)	--
Amortization of intangible assets	(12)	13 962 414	14 001 195
Amortization of right of use assets	(25-1)	1 609 702	3 562 244
Unrealized foreign currency exchange losses from lease liabilities	(25-2)	--	2 215 431
Gain on selling of investment in a joint venture		--	(1 925 000)
Reversal of impairment loss on a joint venture		--	(125 000)
Provisions formed during the period	(22)	5 800 000	5 172 650
		<u>1 983 052 176</u>	<u>582 473 803</u>
Decrease in inventories		13 633 029	122 423 654
Increase in debtors and other debit balances		(132 762 234)	(30 292 785)
Increase in amounts due from related parties		(14 583 809)	(6 896 505)
Increase in trade receivables		(82 434 438)	(371 955 782)
(Decrease) / increase in trade and notes payables		(153 502 293)	18 265 907
Increase in amounts due to related parties		15 635 173	2 570 511
Increase / (decrease) in creditors and other credit balances		179 395 972	(47 585 912)
Provisions used during the period	(22)	(11 341 339)	(1 167 650)
Cash flows generated from operating activities		<u>1 797 092 237</u>	<u>267 835 241</u>
Finance costs paid		(30 367 277)	(37 851 959)
Income tax paid		(336 441 558)	(228 650 914)
Net cash flows generated from operating activities		<u>1 430 283 402</u>	<u>1 332 368</u>
<u>Cash flows from investing activities</u>			
Payments for purchase of property, plant and equipment		(97 919 382)	(57 985 591)
Proceeds on sale of property, plant and equipment		1 140 000	--
Payments for assets under construction		(58 804 920)	(9 553 941)
Interest income received		54 742 425	21 585 925
Proceeds on selling of investment in a joint venture		--	2 050 000
Net cash flows (used in) investing activities		<u>(100 841 877)</u>	<u>(43 903 607)</u>
<u>Cash flows from financing activities</u>			
Net change in borrowings		21 781 654	--
Net change in credit facilities		(519 962 625)	185 751 122
Repayment for lease liabilities	(25-2)	(730 713)	(2 158 865)
Payment for dividends payable		(600 302 425)	(99 229 802)
Net cash flows (used in) / generated from financing activities		<u>(1 099 214 109)</u>	<u>84 362 455</u>
Net change in cash and cash equivalents during the period		230 227 416	41 791 216
Cash and cash equivalents at the beginning of the period		1 656 432 457	544 635 150
Cash and cash equivalents at the end of the period	(17)	<u>1 886 659 873</u>	<u>586 426 366</u>

- The accompanying notes form an integral part of the condensed separate interim 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

Condensed separate interim financial statements

together with limited review Report for the six months period ended June 30, 2025

1. The Company's general information

Arabian Cement Company S.A.E. (ACC or the Company), a joint stock Company incorporated in Cairo, Egypt, 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 Chairman of General Authority for Investment and Free Zone (GAFI) No. 167 of 1997.

The Company was registered in the Commercial Register under No. 13105 in Cairo on April 3, 2005, 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 admin office has changed to be in Garnal 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 product. The Company may carry out other projects or amend its purpose according to 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.

The condensed separate interim financial statements were approved by the Board of Directors and authorized for issue on August 14, 2025.

2. Significant accounting policies

2.1 Statement of compliance

The condensed separate interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) "Interim financial statements". These condensed separate interim financial statements do not include all the information required in the preparation of the full set of annual separate financial statements and must be read in conjunction with the annual separate financial statements as of December 31, 2024.

2.2 Basis of preparation

The condensed separate interim 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.

Arabian Cement Company S.A.E

Condensed separate interim financial statements

together with limited review Report for the six months period ended June 30, 2025

3. Sales (net)

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

EGP	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Local				
Sales	2 037 837 540	766 555 678	3 774 595 883	1 737 350 933
Services	65 169 636	33 976 659	127 753 131	64 730 278
Total Local Sales	2 103 007 176	800 532 337	3 902 349 014	1 802 081 211
Export				
Sales	713 912 666	968 306 832	1 315 349 787	1 809 205 758
Services	102 800 785	204 254 088	228 191 479	270 547 183
Total Export Sales	816 713 451	1 172 560 920	1 543 541 266	2 079 752 941
Total Sales	2 919 720 627	1 973 093 257	5 445 890 280	3 881 834 152

4. Cost of sales

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

EGP	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Raw material	1 346 554 845	1 281 797 191	2 616 913 945	2 475 232 713
Manufacturing depreciation	58 381 556	52 316 791	114 613 021	103 261 187
Electricity supply agreement amortization	7 019 777	7 000 598	13 962 414	14 001 195
Right of use amortization	797 376	1 693 824	1 609 702	3 562 244
Transportation cost	163 418 453	229 289 248	351 071 437	323 124 576
Overhead cost	126 032 806	58 526 147	216 237 493	90 162 008
Total	1 702 204 813	1 630 623 799	3 314 408 012	3 009 343 923

5. General and administration expenses

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

EGP	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Professional services*	37 928 099	25 917 190	63 871 353	46 277 647
Salaries and wages	45 216 410	32 349 888	79 976 957	55 462 288
Security and cleaning services	489 566	449 161	1 090 920	1 419 853
Rentals	716 504	633 943	1 367 677	804 959
Transportation	5 960 666	5 654 267	8 379 542	7 255 114
Advertising	871 431	480 376	2 108 766	2 482 355
Administrative depreciation	1 204 146	1 000 352	2 368 627	1 972 211
Other expenses	30 672 993	18 377 567	61 495 750	39 222 245
Total	123 059 815	84 862 744	220 659 592	154 896 672

* Professional services include amounts charged by related parties amounted to EGP 53 019 781 for the six months period ended June 30, 2025.

Arabian Cement Company S.A.E

Condensed separate interim financial statements

together with limited review Report for the six months period ended June 30, 2025

6. Finance costs

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

EGP	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Lease liability interest	282 462	248 525	592 305	525 657
Finance interest on long term trade and note payables	831 527	302 011	1 966 414	585 431
Credit facilities interest expenses	5 750 263	12 053 439	28 400 863	36 451 629
Total	6 864 252	12 603 975	30 959 582	37 562 717

7. Compensation of key management personnel

An analysis of the Company's Compensation of key management personnel for the period is as follows:

EGP	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Board of Directors allowances and salaries*	25 367 142	22 874 363	46 809 026	38 328 610
TOTAL	25 367 142	22 874 363	46 809 026	38 328 610

* Included in salaries and wages in general and administration expenses.

8. Income taxes

8.1 Income tax recognised in condensed separate interim statement of profit or loss

EGP	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
CURRENT TAX				
Current tax expenses for the current period	265 747 300	(19 691 803)	458 237 855	79 153 314
Current tax expenses related to prior years	9 039 385	12 788 222	9 039 385	12 788 222
TOTAL CURRENT TAX	274 786 685	(6 903 581)	467 277 240	91 941 536
DEFERRED TAX				
Net deferred tax recognized in the current period	3 558 262	54 630 405	8 322 084	6 528 775
TOTAL INCOME TAX EXPENSES	278 344 947	47 726 824	475 599 324	98 470 311

8.2 Current income tax liabilities

EGP	June 30, 2025	December 31, 2024
Current income tax liabilities	458 237 855	366 450 380
CURRENT INCOME TAX LIABILITIES	458 237 855	366 450 380

Arabian Cement Company S.A.E

Condensed separate interim financial statements

together with limited review Report for the six months period ended June 30, 2025

8.3 Deferred tax liabilities (net)

Deferred tax (liabilities) / assets arise from the followings:

June 30, 2025	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(Temporary differences)			
Deferred Tax Liability			
Property, plant & equipment	(235 603 667)	(24 846 041)	(260 449 708)
Deferred tax Assets			
Unrealized foreign currency exchange losses	(3 412 968)	16 523 957	13 110 989
NET DEFERRED TAX LIABILITY	(239 016 635)	(8 322 084)	(247 338 719)
December 31, 2024	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	(280 018 664)	44 414 997	(235 603 667)
Unrealized foreign currency exchange losses	--	(3 412 968)	(3 412 968)
NET DEFERRED TAX LIABILITY	(280 018 664)	41 002 029	(239 016 635)

9. 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 period. 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	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Earnings for basic and diluted earnings per share:				
Profit for the period	805 784 131	189 353 514	1 394 021 931	339 891 782
Employees' share in distributable profits (note 16)	(6 283 256)	(3 754 944)	(9 302 589)	(7 045 257)
Distributable profit	799 500 875	185 598 570	1 384 719 342	332 846 525
Number of shares for basic and diluted earnings per share:				
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700	378 739 700	378 739 700
PROFIT PER SHARE	2.11	0.49	3.66	0.88

Arabian Cement Company S.A.E
Condensed separate interim financial statements
together with limited review Report for the six months period ended June 30, 2025

10. 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, 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	--	20 709 234	25 174 850	3 996 274	1 493 715	5 540 291	1 074 227	57 985 591
Transfer from assets under construction	--	1 043 700	--	--	--	--	--	1 043 700
Balance at June 30, 2024	50 243 436	709 166 191	66 355 180	2 877 435 743	18 083 888	312 909 181	28 201 330	4 062 391 949
Balance at January 1, 2025	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
Additions	--	26 749 926	35 951 397	31 883 483	19 380	1 109 118	2 206 078	97 919 382
Disposals	--	(166 375)	--	--	--	--	--	(166 375)
Balance at June 30, 2025	50 243 436	750 779 232	190 662 524	2 941 767 680	19 356 931	320 136 404	31 362 283	4 304 308 490
ACCUMULATED DEPRECIATION								
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	--	14 793 613	3 411 321	77 167 227	550 418	8 203 245	1 107 574	105 233 398
Balance at June 30, 2024	--	373 280 835	28 727 043	1 822 762 971	12 421 692	192 971 719	23 935 857	2 454 100 117
Balance at January 1, 2025	--	388 238 357	35 475 573	1 900 896 612	12 917 603	201 730 503	25 558 252	2 564 816 900
Depreciation expense	--	14 730 442	11 700 458	79 530 793	496 178	8 651 328	1 872 449	116 981 648
Disposals	--	(166 375)	--	--	--	--	--	(166 375)
Balance at June 30, 2025	--	402 802 424	47 176 031	1 980 427 405	13 413 781	210 381 831	27 430 701	2 681 632 173
CARRYING AMOUNT								
At June 30, 2025	50 243 436	347 976 808	143 486 493	961 340 275	5 943 150	109 754 573	3 931 582	1 622 676 317
At June 30, 2024	50 243 436	335 885 356	37 625 137	1 054 672 772	5 662 196	119 937 462	4 265 473	1 608 291 832
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

The depreciation expense of furniture and computers is included in the item of general and administrative expenses, Note (5) in the amount of EGP 2 368 627. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) in the amount of EGP 114 613 021.

Arabian Cement Company S.A.E

Condensed separate interim financial statements

together with limited review Report for the six months period ended June 30, 2025

11. Assets under construction

EGP	June 30, 2025	December 31, 2024
Balance as of January 1	706 855 633	2 426 563
Additions	58 804 920	705 472 770
Transferred to property plant and equipment (Note No.10)	--	(1 043 700)
TOTAL	765 660 553	706 855 633

Assets under construction are represented in the following categories:

Machinery and equipment	761 813 272	704 824 139
Technology equipment and installations	3 847 281	2 031 494
TOTAL	765 660 553	706 855 633

* The machinery and equipment as of June 30, 2025, 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 293 743 548.
- Project of installing four units producing Hydrogen from water via electrolysis process amounted to EGP 468 069 724.

12. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
Cost			
Cost as of January 1, 2025	563 204 713	225 200 000	788 404 713
Cost as of June 30, 2025	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2025	(428 248 847)	(225 200 000)	(653 448 847)
Amortization for the period	(13 962 414)	--	(13 962 414)
Accumulated amortization as of June 30, 2025	(442 211 261)	(225 200 000)	(667 411 261)
Net book value June 30, 2025	120 993 452	--	120 993 452
Net book value December 31, 2024	134 955 866	--	134 955 866

Operating license

As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 281.4 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months according to interest rate determined by Central Bank of Egypt (CBE).

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

13. Investments in subsidiaries (net)

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

Company name	Domicile	Share/ paid-in capital	June 30, 2025 EGP	December 31, 2024 EGP	Principal activities	Proportion of ownership interest and voting power held by the Company
Andalus Concrete Company	Egypt	%99.99	30 926 807	30 926 807	Concert products, mainly ready mix	99.99%
Evolve Investment & Projects Management Company	Egypt	%99.99	16 499 750	16 499 750	Alternative fuel and recycling	99.99%
ACC for Management and Trading Company	Egypt	%99	49 500	49 500	Providing managerial services	99%
Total			47 476 057	47 476 057		
Less: Impairment losses on investment in subsidiaries			(17 160 843)	(17 160 843)		
TOTAL			30 315 214	30 315 214		

14. Inventories

EGP	June 30, 2025	December 31, 2024
Raw materials	158 973 681	152 314 346
Fuel	300 038 852	374 070 114
Packing materials	54 895 582	49 406 144
Spare parts	71 050 652	65 883 236
Work in progress	3 034 760	4 629 032
Finished goods	241 009 913	196 154 069
Goods in transit	1 555 522	1 735 050
TOTAL	830 558 962	844 191 991

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15. Trade Receivables

EGP	June 30, 2025	December 31, 2024
Trade Receivables	188 898 540	106 464 102
Total	188 898 540	106 464 102

Aging of receivables that are past due but not impaired:

EGP	June 30, 2025	December 31, 2024
Less than 30 days	188 898 540	106 464 102
Total	188 898 540	106 464 102

16. Debtors and other debit balances (net)

EGP	June 30, 2025	December 31, 2024
Advance to suppliers	474 930 227	337 240 599
Unbilled receivables	5 945 686	12 200 276
Withholding tax	26 885 802	41 462 579
Prepaid expenses	20 237 078	27 363 011
Value added tax	2 881 728	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	3 418 453	3 447 653
Employees' dividends in advance	9 302 589	15 045 727
Letters of guarantee – cash margin	136 230 550	159 800 453
Cash imprest	4 537 658	6 259 445
Less:- Impairment of debtors and other debit balances	(1 607 808)	(1 607 808)
TOTAL	684 334 090	605 665 790

17. Cash and bank balances

EGP	June 30, 2025	December 31, 2024
Cash in hand	9 371 941	11 171 854
Current account – local currency	1 212 108 591	815 334 732
Current account – foreign currency	660 003 069	824 749 599
Bank deposits	5 176 272	5 176 272
Total	1 886 659 873	1 656 432 457

18. Capital

EGP	June 30, 2025	December 31, 2024
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued and paid capital	757 479 400	757 479 400

19. 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 transferred to legal reserve. The entity shall cease such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

20. Trade and notes payable

EGP	Current		Non-current	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Local trade payable	511 440 694	324 511 553	--	--
Foreign trade payable	149 374 457	469 102 287	281 709 786	301 142 055
Notes payable*	517 661	1 788 996	--	--
Total	661 332 812	795 402 836	281 709 786	301 142 055

* 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 agreement in 2020 was reached whereby the company was charged by an amount of EGP 19 847 553, which was paid by notes payables until 2025 and is recognized at net present value. The undiscounted value of the notes payables obligation at the end of the period amounted to EGP 1 517 661.

** The foreign trade payables as of June 30, 2025, 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 as of 30 June 2025 amounted to Euro 6 629 317 (equivalent to EGP 387 783 900). The non-current portion of the present value amounted to EGP 281 709 786.

21. Borrowings and credit facilities

EGP	Current		Non-current	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
First: Credit facilities				
Credit facilities – CIB	95 081 604	615 044 229	--	--
Total Facilities	95 081 604	615 044 229	--	--
Second: Borrowings				
Bank loan – NBE	28 329 858	25 481 075	139 325 251	120 392 380
Total Borrowings	28 329 858	25 481 075	139 325 251	120 392 380

22. Provisions

EGP	Provision for claims
Balance at January 1, 2025	55 496 797
Formed provisions during the period	5 800 000
Provisions used during the period	(11 341 339)
Balance at June 30, 2025	49 955 458

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

23. Creditors and other credit balances

EGP	June 30, 2025	December 31, 2024
Advances from customers	210 822 177	71 489 550
Accrued expenses	59 146 343	44 337 709
Accrued development fees	10 117 326	9 173 338
Accrued customers rebates	126 884 967	115 642 455
Accrued tax authority	55 352 578	26 412 364
Accrued interest	670 178	12 334 452
Deferred revenue – Grant	8 677 904	9 466 637
Retention	27 053 006	30 472 002
TOTAL	498 724 479	319 328 507

24. Related parties' transactions

During the period, entered the following transactions with related parties:

EGP	Relation type	Transaction nature	Volume of the transactions	
			June 30, 2025	June 30, 2024
Andalus Concrete Company	Subsidiary	Sales	41 865 762	8 622 894
ACC for Management and Trading Company	Subsidiary	Services	112 187 398	64 133 125
Evolve Investment & Projects Management Company	Subsidiary	Purchases	139 220 620	57 371 793
Cementos La Union – Spain	Ultimate parent	Services	4 225 718	3 566 598

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

EGP	Due from related parties		Due to related parties	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Andalus Concrete Company	18 283 894	5 070 425	--	--
Evolve Investment & Projects Management Company	--	--	20 548 065	4 684 137
ACC for Management and Trading Company	1 526 998	--	--	228 755
Cementos La Union – Spain	--	156 658	--	--
TOTAL	19 810 892	5 227 083	20 548 065	4 912 892

- 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.

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- Cementos La Union – Spain renders technical support services for Arabian Cement Company.
- Evolve Company supplies alternative fuel for Arabian Cement Company.

25. Lease contracts

25.1 Right of use assets (net)

EGP	Land and buildings	Total
Cost		
Cost as of January 1, 2025	28 504 633	28 504 633
Cost as of June 30, 2025	28 504 633	28 504 633
Less: - Accumulated amortization		
Accumulated amortization as of January 1, 2025	(24 068 301)	(24 068 301)
Amortization for the period	(1 609 702)	(1 609 702)
Total accumulated amortization as of June 30, 2025	(25 678 003)	(25 678 003)
Net book value June 30, 2025	2 826 630	2 826 630
Net book value December 31, 2024	4 436 332	4 436 332

25.2 Lease liabilities

Lease liabilities recognized in the condensed separate interim statement of financial position

EGP	Current		Non-current	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Lease liabilities	3 530 565	3 625 821	1 599 380	1 642 532
TOTAL	3 530 565	3 625 821	1 599 380	1 642 532

The lease interest during period amounted to EGP 592 305 (refer to note 6). And the movement during the period/year for the lease liabilities presented as follows:

Amount EGP	June 30, 2025	December 31, 2024
Beginning balance	5 268 353	11 220 907
Additions during the period	--	2 719 197
Terminations during the period	--	(5 625 996)
Interest expenses	592 305	1 237 302
Repayment of lease liabilities	(730 713)	(4 283 057)
Ending Balances	5 129 945	5 268 353

26. Dividends distribution

On April 29, 2025, the Ordinary General Assembly of the Company approved to distribute dividends for the employees amounted to EGP 15 045 727 for the results of 2024.

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27. Significant events during the period

- On February 19, 2025, the Company has signed a loan agreement of EUR 25 million with the European Bank for Reconstruction and Development (EBRD) with interest rate calculated at the three-months Euribor plus margin of 4.35% to support its decarbonization efforts and enhance energy efficiency. The total loan amount of EUR 25 million consists of two tranches:

- Tranche (1) not to exceed an amount of EUR 15,900,000 for the purpose of expanding the Alternative Fuel capacity for kiln 2 in addition to acquiring and installing Hydrogen injection system for kiln 1.
- Tranche (2) not to exceed an amount of EUR 9,100,000 for the purpose of acquiring and installing Hydrogen injection system for kiln 2.

The Company shall repay the loan in 15 equal quarterly instalments commencing on the first interest payment date occurring 18 months after the date of the loan agreement.

- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on April 17, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 225 basis points to reach 25%, 26% and 25.5%, respectively. The discount rate was also reduced by 225 basis points to 25.5%.
- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on May 22, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to reach 24%, 25% and 24.5%, respectively. The discount rate was also reduced by 100 basis points to 24.5%

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

