

**Arabian Cement Company S.A.E.
Separate Financial Statements
together with Auditor's Report
for the year ended December 31, 2025**

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, 2025, 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, 2025, 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, February 25, 2026




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

Arabian Cement Company (S.A.E)
Separate Statement of Financial Position
as of December 31, 2025

	Note No.	December 31, 2025 EGP	December 31, 2024 EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(12)	2 487 686 732	1 641 738 583
Assets under construction	(13)	391 543 753	706 855 633
Intangible assets (net)	(14)	106 799 617	134 955 866
Right of use assets (net)	(32-1)	822 030	4 436 332
Investment in subsidiaries (net)	(15)	18 382 047	30 315 214
Total non-current assets		3 005 234 179	2 518 301 628
Current assets			
Inventories	(16)	1 045 343 309	844 191 991
Trade receivables	(17)	203 879 269	106 464 102
Debtors and other debit balances (net)	(18)	963 672 310	605 665 790
Due from related parties	(30)	20 950 028	5 227 083
Cash and bank balances	(19)	3 393 501 617	1 656 432 457
Total current assets		5 627 346 533	3 217 981 423
Total assets		8 632 580 712	5 736 283 051
Equity and liabilities			
Equity			
Issued and paid-up capital	(20)	757 479 400	757 479 400
Treasury shares	(21)	(143 327 985)	--
Legal reserve	(22)	378 739 700	363 501 231
Retained earnings	(23)	3 614 543 238	1 167 063 856
Total equity		4 607 434 353	2 288 044 487
Liabilities			
Non-current liabilities			
Borrowings	(24)	888 522 538	120 392 380
Deferred tax liabilities	(10-3)	253 647 809	239 016 635
Lease liabilities	(32-2)	--	1 642 532
Trade and notes payable	(25)	--	301 142 055
Creditors and other credit balances - non current	(28)	103 020 835	--
Total non-current liabilities		1 245 191 182	662 193 602
Current liabilities			
Trade and notes payable	(25)	657 655 176	795 402 836
Credit facilities	(24)	99 916 937	615 044 229
Current income tax liability	(10-2)	1 094 913 876	366 450 380
Current portion of long term borrowings	(24)	145 493 141	25 481 075
Lease liabilities	(32-2)	1 176 042	3 625 821
Creditors and other credit balances	(28)	680 778 719	319 328 507
Due to related parties	(30)	17 958 812	4 912 892
Dividends payable	(27)	--	600 302 425
Provisions	(26)	82 062 474	55 496 797
Total current liabilities		2 779 955 177	2 786 044 962
Total Liabilities		4 025 146 359	3 448 238 564
Total equity and liabilities		8 632 580 712	5 736 283 051

- 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

- Auditor's report attached.




Arabian Cement Company (S.A.E)
Separate Statement of Profit and Loss
for the year ended December 31, 2025

	Note No.	<u>December 31, 2025</u>	<u>December 31, 2024</u>
		<u>EGP</u>	<u>EGP</u>
Sales (net)	(4)	12 319 662 912	8 585 462 048
Cost of sales	(5)	(7 165 700 199)	(6 443 798 927)
Gross profit		5 153 962 713	2 141 663 121
<u>Add/(deduct):</u>			
General and administrative expenses	(6)	(503 605 081)	(351 899 589)
Provisions	(26)	(64 255 707)	(32 203 488)
Impairment loss on investments in subsidiaries	(15)	(11 933 167)	--
Gain on disposal of property, plant and equipment		1 140 000	--
Reversal of impairment of investment in joint ventures		--	125 000
Gain on selling of investment in joint ventures		--	1 925 000
Interest income		221 758 186	56 458 493
Other income	(7)	52 811 330	15 824 818
Finance costs	(8)	(49 841 733)	(91 188 916)
Foreign currency exchange losses		(101 578 240)	(243 812 127)
Net profit for the year before tax		4 698 458 301	1496 892 312
Income tax	(10-1)	(1 118 584 434)	(338 236 573)
Net profit for the year after tax		3 579 873 867	1 158 655 739
Earnings per share	(11)	9.44	3.02

- 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, 2025

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year after tax	3 579 873 867	1 158 655 739
Items of other comprehensive income	--	--
Comprehensive income for the year	<u>3 579 873 867</u>	<u>1 158 655 739</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, 2025

	Issued and paid-up capital		Treasury shares		Legal reserve		Retained earnings		Total	
	EGP		EGP		EGP		EGP		EGP	
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	--	--	--	--	--		(600 302 425)		(600 302 425)	
Dividends distributed to employees	--	--	--	--	--		(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	
Balance as of January 1, 2025	757 479 400	--	--	--	363 501 231		1 167 063 856		2 288 044 487	
Acquired treasury shares during the year	--	--	(143 327 985)	--	--		--		(143 327 985)	
Transferred to legal reserve	--	--	--	--	15 238 469		(15 238 469)		--	
Total comprehensive income for the year	--	--	--	--	--		3579 873 867		3 579 873 867	
Dividends distributed to shareholders	--	--	--	--	--		(1 102 110 289)		(1 102 110 289)	
Dividends distributed to employees	--	--	--	--	--		(15 045 727)		(15 045 727)	
Balance as of December 31, 2025	757 479 400	--	(143 327 985)	--	378 739 700		3 614 543 238		4 607 434 353	

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, 2025

	<u>Note No.</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the year before tax		4 698 458 301	1 496 892 312
<u>Adjusted by:</u>			
Finance costs	(8)	49 841 733	91 188 916
Interest income		(221 758 186)	(56 458 493)
Depreciation of property, plant and equipment	(12)	252 744 256	215 950 181
Amortization of intangible assets	(14)	28 156 249	28 156 249
Amortization of right of use assets	(32-1)	2 525 364	7 082 414
Reversal of impairment of investment in joint venture		--	(125 000)
Gain on selling of investment in joint venture		--	(1 925 000)
Gain on disposal of property, plant and equipment		(1 140 000)	--
Impairment loss on investments in subsidiaries	(15)	11 933 167	--
Loss on lease contract termination		92 934	--
Provisions Formed during the year	(26)	64 255 707	32 203 488
		<u>4 885 109 525</u>	<u>1 812 965 067</u>
(Increase) / decrease in inventories		(201 151 318)	132 681 745
(Increase) in debtors and other debit balances		(412 100 453)	(402 830 229)
(Increase) / Decrease in amounts due from related parties		(15 722 945)	3 254 077
(Increase) / decrease in trade receivables		(97 415 167)	79 512 263
(Decrease) / Increase in trade and notes payables		(438 889 715)	75 891 038
Increase / (Decrease) in amounts due to related parties		13 045 920	(630 457)
Increase in creditors and other credit balances		464 471 047	10 237 836
Provisions used	(26)	(37 690 030)	(27 436 103)
Cash flows generated from operating activities		<u>4 159 656 864</u>	<u>1 683 645 237</u>
Finance costs paid		(48 679 058)	(79 141 201)
Current income tax paid		(336 441 558)	(210 923 879)
Net cash flows generated from operating activities		<u>3 774 536 248</u>	<u>1 393 580 157</u>
<u>Cash flows from investing activities</u>			
Payments for purchase of property, plant and equipment		(316 802 967)	(202 149 125)
Proceeds on selling of property, plant and equipment		1 140 000	--
Payments for assets under construction		(466 577 558)	(705 472 770)
Proceeds from selling of investment in a joint venture		--	2 050 000
Interest income received		221 758 186	56 458 493
Net cash flows used in investing activities		<u>(560 482 339)</u>	<u>(849 113 402)</u>
<u>Cash flows from financing activities</u>			
Net change in borrowings		888 142 224	145 873 455
Net change in credit facilities		(515 127 292)	524 969 956
Payments for treasury shares		(143 327 985)	--
Payment of lease liabilities	(32-2)	(4 258 982)	(4 283 057)
Dividends paid		(1 702 412 714)	(99 229 802)
Net cash flows (used In) / generated from financing activities		<u>(1 476 984 749)</u>	<u>567 330 552</u>
Net change in cash and cash equivalents during the year		1 737 069 160	1 111 797 307
Cash and cash equivalents at the beginning of the year		1656 432 457	544 635 150
Cash and cash equivalents at the end of the year	(19)	<u>3 393 501 617</u>	<u>1 656 432 457</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



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 separate 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 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.

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	2025		2024	
	Average	Year end	Average	Year end
1 US Dollar	49.26	47.66	44.39	50.84
1 Euro	55.49	55.87	48.11	52.54

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.

Cost 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

Financial assets

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. 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

Financial instruments and contract 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 expected credit losses:

Expected credit losses 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 statement of 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 from contracts with customers

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, 2025 amounted to EGP 2 487 686 732 (2024: EGP 1 641 738 583) (Note No. 12). 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, 2025, amounted to EGP 106 799 617 (2024: EGP 134 955 866), (Note No. 14). 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, 2025, amounted to EGP 82 062 474 (2024: EGP 55 496 797). This amount is based on estimates of future costs for legal cases and other claims in connection with the Company's operations (Note No. 26). 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, 2025	December 31, 2024
Local		
Sales	8 222 797 441	4 559 158 474
Services	281 863 546	179 825 230
Total Local Sales	8 504 660 987	4 738 983 704
Export		
Sales	3 356 422 381	3 222 781 048
Services	458 579 544	623 697 296
Total Export Sales	3 815 001 925	3 846 478 344
Total Sales	12 319 662 912	8 585 462 048

5. Cost of sales

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

EGP	December 31, 2025	December 31, 2024
Raw materials	5 694 577 518	5 210 148 117
Manufacturing depreciation (Note No. 12)	248 468 937	212 173 883
Amortization of licenses - intangible assets (Note No. 14)	28 156 249	28 156 249
Amortization of right of use assets (Note No. 32-1)	2 525 364	7 082 414
Transportation costs	751 627 754	782,348,018
Overhead costs	440 344 377	203,890,246
Total	7 165 700 199	6 443 798 927

6. General and administration expenses

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

EGP	December 31, 2025	December 31, 2024
Professional services *	155 820 081	115 266 805
Salaries and wages	178 859 694	124 882 010
Security and cleaning services	3 210 200	4 738 183
Rentals	3 132 247	2 110 584
Transportation	9 507 563	12 440 064
Advertising	7 803 161	4 674 035
Administrative depreciation (Note No. 12)	4 275 319	3 776 298
Other expenses	140 996 816	84 011 610
Total	503 605 081	351 899 589

Professional services include amounts charged by related parties amounted to EGP 129 096 778 for the year ended December 31, 2025.

7. Other Income

Other income for the year ended December 31, 2025, includes export subsidies amounted to EGP 31 642 586.

8. Finance costs

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

EGP	December 31, 2025	December 31, 2024
Loan interest expense	24 613 130	2 754 107
Lease liability interest (Note No. 32-2)	1 162 675	1 237 302
Finance interest on long term trade and notes payable	1 058 558	1 244 481
Credit facilities interest expense	23 007 370	85 953 026
Total	49 841 733	91 188 916

9. Compensation of key management personnel

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

EGP	December 31, 2025	December 31, 2024
Board of Directors allowances and salaries*	94 831 593	81 543 935
Total	94 831 593	81 543 935

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

10. Income taxes

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

EGP	December 31, 2025	December 31, 2024
Current income tax		
Current income tax for the current year	1 094 913 876	366 450 380
Current income tax related to prior years	9 039 384	12 788 222
Total current income tax for the year	1 103 953 260	379 238 602
Deferred tax		
Deferred tax for the year	14 631 174	(41 002 029)
Total tax expenses for the year	1 118 584 434	338 236 573

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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, 2025	December 31, 2024
Profit before tax	4 698 458 301	1 496 892 312
Tax using applicable tax rate 22.5%	1 057 153 118	336 800 770
Add:		
Effect of reversal of accounting depreciation and amortization	280 900 505	244 106 430
Effect of expenses that are not deductible in arriving to taxable profit	62 305 110	44 350 044
Effect of provisions/impairments formed that are not deductible in arriving to taxable profit	64 255 707	32 203 488
Effect of unrealized net foreign exchange losses that are not deductible in arriving to taxable profit	94 686 064	--
Effect of prior year realized net foreign exchange losses that are deductible in arriving to the taxable profit	15 168 750	--
Less:		
Effect of tax depreciation and amortization that are deductible in arriving to the taxable profit	(336 460 872)	(125 929 602)
Effect of realized net foreign exchange losses that are deductible in arriving to the taxable profit	--	(46 617 918)
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	(13 029 671)	(1 167 650)
Taxable income	4 866 283 894	1 628 668 354
Current income tax expense for the year	1 094 913 876	366 450 380

10.2 Current tax liabilities

EGP	December 31, 2025	December 31, 2024
Current income tax liability (Note 10.1)	1 094 913 876	366 450 380
Current income tax liabilities	1 094 913 876	366 450 380

The average effective tax rate in the year ended December 31, 2025, is 23.3% (2024: 24.5%).

10.3 Deferred tax liabilities

Deferred tax (liabilities) / assets are analyzed as follows:

December 31, 2025	Opening balance	Recognized in profit or loss	Ending balance
EGP			
(Liabilities) / Assets			
Temporary differences			
Deferred tax liabilities			
Property, plant & equipment	(235 603 667)	(39 348 507)	(274 952 174)
Unrealized foreign currency exchange (gain) / losses	(3 412 968)	24 717 333	21 304 365
Net deferred tax liability	(239 016 635)	(14 631 174)	(253 647 809)

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December 31, 2024 EGP	Opening balance	Recognized in profit or loss	Ending balance
(Liabilities)			
Temporary differences			
Deferred tax liabilities			
Property, plant & equipment	(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)

11. 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, 2025	December 31, 2024
Earnings for basic and diluted earnings per share:		
Profit for the year	3 579 873 867	1 158 655 739
Employees' share in distributable profits (Note No. 18)	(18 874 075)	(15 045 727)
Distributable profit	3 560 999 792	1 143 610 012
Number of shares for basic and diluted earnings per share:		
Ordinary shares for the purposes of EPS – after excluding the treasury shares (Note No.21)	377 155 593	378 739 700
Earnings per share from continuing operations	9.44	3.02

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12. Property, plant and equipment (net)								
EGP	Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and Fixtures	Other Installations	Computers and Software	Total
COSI								
	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		36 782 424	113 530 797	36 444 728	2 747 378	10 614 696	2 029 102	202 149 125
Additions				0		1 043 700		1 043 700
Transferred from assets under construction (Note No. 13)								
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
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		180 541 779	51 758 914	68 201 156	2 050 673	7 297 991	6 932 454	316 802 967
Transferred from assets under construction (Note No. 13)								
				781 889 438				781 889 438
Disposals			(166 375)					(166 375)
Balance at December 31, 2025	50 243 436	904 737 460	206 303 666	3 759 974 791	21 388 224	326 325 277	36 108 659	5 305 081 513
ACCUMULATED DEPRECIATION								
		358 487 222	25 315 722	1 745 595 744	11 871 274	184 788 474	22 828 283	2 348 866 719
Balance at January 1, 2024		29 751 135	10 159 851	155 300 868	1 046 329	16 962 029	2 729 969	215 950 181
Depreciation expense		388 238 357	35 475 573	1 900 896 612	12 917 603	201 730 503	25 558 252	2 564 816 900
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
Balance at January 1, 2025		29 982 168	25 795 585	175 192 415	1 081 554	17 498 769	3 193 765	252 744 256
Depreciation expense			(166 375)					(166 375)
Accumulated depreciation of disposals								
Balance at December 31, 2025		418 220 525	61 104 783	2 076 089 027	13 999 157	219 229 272	28 752 017	2 817 394 781
CARRYING AMOUNT								
At December 31, 2025	50 243 436	486 516 935	145 198 883	1 683 885 764	7 389 067	107 096 005	7 356 642	2 487 686 732
At December 31, 2024	50 243 436	335 957 324	119 235 554	1 008 987 585	6 419 948	117 296 783	3 587 953	1 641 738 583

- The depreciation expense of furniture and computers is included in the general and administrative expenses, Note (6) amounted to EGP 4 275 319. The depreciation expense of the remaining assets is included in the cost of sales of Note (5) amounted to EGP 248 468 937.

13. Assets under construction

EGP	December 31, 2025	December 31, 2024
Balance as of January 1	706 855 633	2 426 563
Additions	466 577 558	705,472,770
Transferred to property, plant and equipment (Note No. 12)	(781 889 438)	(1 043 700)
Ending balance	391 543 753	706 855 633

Assets under construction are analyzed as follows:

Machinery and equipment*	387 051 147	704 824 139
Technology equipment and installations	4 492 606	2 031 494
Total	391 543 753	706 855 633

* The machinery and equipment as of December 31, 2025, represents the following projects:

- Project of alternative fuel new system for production line 2 amounted to EGP 240 235 369.
- Project of New Steel Cement Silo for production line 1 amounted to EGP 146 238 519.
- Other projects amounted to EGP 577 259.

14. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
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)
Cost			
Cost as of January 1, 2025	563 204 713	225 200 000	788 404 713
Cost as of December 31, 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 year	(28 156 249)	--	(28 156 249)
Total accumulated amortization as of December 31, 2025	(456 405 096)	(225 200 000)	(681 605 096)
Net book value at December 31,2025	106 799 617	--	106 799 617
Net book value at December 31,2024	134 955 866	--	134 955 866

Operating license

According to the governing laws, the General Industrial Development Association approved granting the company a cement factory license on May 21, 2008 for an amount of 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 the interest rate determined by Central Bank of Egypt (CBE).

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).

15. Investments in subsidiaries (net)

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

Company name	Domicile	Share/ Paid - in capital	December 31, 2025 EGP	December 31, 2024 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*			(29 094 010)	(17 160 843)		
Net balance			18 382 047	30 315 214		

* The movement during the year for the impairment losses on investment in subsidiaries analyzed as follows:

EGP	December 31, 2025	December 31, 2024
Opening balance	17 160 843	17 160 843
Impairment losses for the year	11 933 167	--
Ending balance	29 094 010	17 160 843

16. Inventories

EGP	December 31, 2025	December 31, 2024
Raw materials	279 551 599	152 314 346
Fuel	200 179 894	374 070 114
Packing materials	51 934 042	49 406 144
Spare parts	185 578 190	65 883 236
Work in progress	6 860 748	4 629 032
Finished goods	320 756 098	196 154 069
Goods in transit	482 738	1 735 050
Total	1 045 343 309	844 191 991

The cost of inventories charged to cost of sales amount to EGP 5 694 577 518 (Note No. 5).

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17. Trade receivables

EGP	December 31, 2025	December 31, 2024
Trade receivables	203 879 269	106 464 102
Total	203 879 269	106 464 102

Aging of receivables that are past due but not impaired:

EGP	December 31, 2025	December 31, 2024
Less than 30 days	203 879 269	106 464 102
Total	203 879 269	106 464 102

18. Debtors and other debit balances (net)

EGP	December 31, 2025	December 31, 2024
Advance to suppliers	826 560 606	337 240 599
Unbilled receivables	–	12 200 276
Withholding tax	58 633 500	41 462 579
Prepaid expenses	27 388 146	27 363 011
Value added tax	8 193 857	2 881 728
Real estate tax	1 572 127	1 572 127
Deposit with others	3 447 653	3 447 653
Employees' dividends in advance*	18 874 075	15 045 727
Letters of guarantee – cash margin	13 608 814	159 800 453
Cash imprest funds	7 001 340	6 259 445
Less: - Impairment losses on debtors	(1 607 808)	(1 607 808)
Total	963 672 310	605 665 790

* The employees' dividends paid in advance is pending the approval of the Ordinary General Assembly Meeting of the Company that will be held during year 2026.

19. Cash and bank balances

EGP	December 31, 2025	December 31, 2024
Cash on hand	9 992 985	11 171 854
Current accounts – local currency	1 778 153 582	815 334 732
Current accounts – foreign currency	1 599 701 899	824 749 599
Bank deposits	5 653 151	5 176 272
Total	3 393 501 617	1 656 432 457

20. Capital

EGP	December 31, 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 capital	757 479 400	757 479 400

21. Treasury shares

On July 21, 2025, the Board of Directors of the Company has approved to acquire treasury shares. In 2025, the Company has acquired 3 872 255 shares for an amount of EGP 143 327 985 which represents 1% of the total Company's shares of capital.

22. 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.

23. Retained earnings

EGP	December 31, 2025	December 31, 2024
Beginning balance	1 167 063 856	688 085 124
Transferred to legal reserve	(15 238 469)	(68 798 236)
Dividends distributed to shareholders	(1 102 110 289)	(600 302 425)
Dividends distributed to employees	(15 045 727)	(10 576 346)
Total comprehensive income for the year	3 579 873 867	1 158 655 739
Ending balance	3 614 543 238	1 167 063 856

24. Borrowings

EGP	Current		Non-current	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
First: Credit facilities				
Credit facilities – CIB*	99 916 937	615 044 229	--	--
Total Facilities	99 916 937	615 044 229	--	--
Second: Borrowings				
Bank loan – NBE**	27 056 585	25 481 075	118 684 899	120 392 380
Bank loan – EBRD***	118 436 556	--	769 837 639	--
Total bank Loan	145 493 141	25 481 075	888 522 538	120 392 380

* Commercial international bank (CIB)

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 insurance fees, customs agent's fees, and other expenses related to factory and 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**

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, 2025.
- 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.

*****European Bank for Reconstruction and Development - EBRD**

During the period, 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 contract obligates the company with the following:

- The Company shall maintain Security Coverage Ratio at least 1.4.
- The Company shall maintain a ratio of total financial debt to equity not to exceed 1.3.
- The Company shall maintain a ratio of net financial debt to EBITDA not to exceed 2.5.

25. Trade and notes payable

EGP	Current		Non-current	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Local trade payables	512 011 466	324 511 553	--	--
Foreign trade payables*	145 643 710	469 102 287	--	301 142 055
Notes payable	--	1 788 996	--	--
Total	657 655 176	795 402 836	--	301 142 055

* During the year, the Company has entered into an early settlement and payment for the outstanding liability balance related to installing four units producing green Hydrogen from water via electrolysis process.

26. Provisions

EGP	Provision for claims
Balance at January 1, 2025	55 496 797
Formed during the year	64 255 707
Used during the year	(37 690 030)
Balance at December 31, 2025	82 062 474

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

27. Dividends distribution

On December 2, 2025, the Ordinary General Assembly of the Company approved to distribute dividends for the employees amounted to EGP 15 045 727 for 2024 results and has approved to distribute dividends for the shareholders amounted to EGP 1 102 110 289 for the results of the year ended December 31, 2024. The Company has paid during the year the approved dividends mentioned above.

28. Creditors and other credit balances

EGP	December 31, 2025	December 31, 2024
Current:		
Advances from customers	261 328 287	71 489 550
Accrued expenses	93 539 635	44 337 709
Accrued development fees	9 822 747	9 173 338
Accrued customers rebates	228 436 643	115 642 455
Accrued taxes	49 854 632	26 412 364
Accrued interest	5 755 165	12 334 452
Deferred Revenue – EBRD Grant*	5 536 420	--
Deferred Revenue – Other Grants	7 908 150	9 466 637
Retention	18 597 040	30 472 002
Total creditors and other credit balances – current	680 778 719	319 328 507
Non-current:		
Deferred Revenue – EBRD Grant*	103 020 835	--
Total creditors and other credit balances – non current	103 020 835	--
Total creditors and other credit balances	783 799 554	319 328 507

*During the year, the Company has signed a loan agreement of EUR 25 million with the European Bank for Reconstruction and Development (EBRD) with ending balance as of December 31, 2025 amounted to EUR 15 900 000 equivalent to EGP 888 274 195 .During 2025, the Company received a grant from the European Bank for Reconstruction and Development (EBRD) amounted to EUR 2 000 000 equivalent to EGP 110 708 400 ,such grant related to assets constructions and the deferred revenue will be recognized in the separate statement of profit or loss over the useful life of the related asset using the straight line method.

The classification of the grant is as follows:

EGP	Current		Non-current	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Deferred revenue	--	--	103 020 835	--
– EBRD Grant*	5 536 420	--	--	--
Total	5 536 420	--	103 020 835	--

29. Financial instruments

29.1 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.

29.2 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.

29.3 Categories of financial instruments

EGP	December 31, 2025	December 31, 2024
Financial assets (i)		
Cash and bank balances (Note No. 19)	3 393 501 617	1 656 432 457
Trade receivables (Note No. 17)	203 879 269	106 464 102
Due from related parties (Note No. 30)	20 950 028	5 227 083
Financial liabilities (ii)		
Borrowings (Note No. 24)	1 034 015 679	145 873 455
Credit facilities (Note No. 24)	99 916 937	615 044 229
Lease liabilities (Note No. 32-2)	1 176 042	5 268 353
Dividends payable (Note No. 27)	--	600 302 425
Due to related parties (Note No. 30)	17 958 812	4 912 892
Trade and notes payable (Note No. 25)	657 655 176	1 096 544 891
Creditors and other credit balances (Note No. 28)	783 799 554	319 328 507

- (i) A total of EGP 2 billion (2024: EGP 1.45 billion) of other current assets does not meet the definition of a financial asset.
- (ii) A total of EGP 1.43 billion (2024: EGP 661 million) of other current and non-current liabilities does not meet the definition of a financial liability.

29.4 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.

29.5 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 29.6 below) and interest rates (Note 29.7).

29.6 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 and EBRD loans), at the end of the reporting year, in the major currencies in which they are issued.

Borrowings

Currency	December 31, 2025	December 31, 2024
EUR	18 508 754	2 776 221
Total	18 508 754	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, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Currency-USD	103 464 796	343 480 899	1 515 725 991	1 034 217 391
Currency-EUR	1 061 722 599	572 636 922	295 737 259	57 875 417
Currency-GBP			40 430	168 794

29.6.1 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, 2025	December 31, 2024
USD - profit / (loss)	141 226 120	69 073 649
EURO – profit / (loss)	(76 598 534)	(51 476 150)
GBP – profit / (loss)	403	16 879

29.7 Interest rate risk management

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

29.7.1 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, 2025, would decrease / increase by EGP 11 339 326 (2024: decrease / increase by EGP 7 661 860). This is mainly attributable to the entity's exposure to interest rates on its variable rate borrowings.

29.8 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.

29.9 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 within one year		Due more than one year and less the three years		Due more than three years	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Borrowings	145 493 141	25 481 075	474 714 843	55 383 180	413 807 695	65 009 200
Lease liabilities	1 176 042	3 625 821	--	1 642 532	--	--
Trade and notes payables	657 655 176	795 402 836	--	197 293 261	--	103 794 848
Credit Facilities	99 916 937	615 044 229	--	--	--	--
Current income tax liability	1 094 913 876	366 450 380	--	--	--	--
Due to related parties	17 958 812	4 912 892	--	--	--	--
Dividends payable	--	600 302 425	--	--	--	--
Creditors and other credit balances	680 778 719	319 328 507	11 072 840	--	91 947 995	--

29.10 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, 2025.

30. 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, 2025	December 31, 2024
Andalus Concrete Company	Subsidiary	Sales	43 834 078	44 849 846
ACC for Management and Trading Company	Subsidiary	Services	266 480 481	162 887 585
Evolve Investment & Projects Management Company	Subsidiary	Purchases	317 984 427	161 433 259
Cementos La Union-Spain company	Subsidiary of the parent Company	Services	8 650 851	7 694 831

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

EGP	Due from related parties		Due to related parties	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Andalus Concrete Company	19 783 024	5 070 425	--	--
Evolve Investment & Projects Management Company	--	--	17 958 812	4 684 137
ACC for Management and Trading Company	1 167 004	--	--	228 755
Cementos La Union – Spain Company	--	156 658	--	--
Total	20 950 028	5 227 083	17 958 812	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.
- 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.

31. Contingent liabilities

Contingent liabilities as of December 31, 2025, amounted to Nil.

32. Lease

32.1 Right of use assets

EGP	Land and buildings	Total
Cost		
Cost as of January 1, 2025	28 504 633	28 504 633
Termination	(25 216 514)	(25 216 514)
Cost as of December 31, 2025	3 288 119	3 288 119
Less: - Accumulated amortization		
Accumulated amortization as of January 1, 2025	(24 068 301)	(24 068 301)
Termination	24 127 576	24 127 576
Amortization for the year	(2 525 364)	(2 525 364)
Total accumulated amortization as of December 31, 2025	(2 466 089)	(2 466 089)
Net book value at December 31, 2025	822 030	822 030
Net book value at December 31, 2024	4 436 332	4 436 332

32.2 Financial lease liabilities

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

EGP	Current		Non-current	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Lease liabilities	1 176 042	3 625 821	--	1 642 532
Total	1 176 042	3 625 821	--	1 642 532

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

Amount EGP	December 31, 2025	December 31, 2024
Beginning balance	5 268 353	11 220 907
Additions	--	2 719 197
Termination	(996 004)	(5 625 996)
Interest expenses	1 162 675	1 237 302
Payment during the year	(4 258 982)	(4 283 057)
Ending Balance	1 176 042	5 268 353

33. Capital Commitments

The capital commitment for the year ended December 31, 2025, amounted to EGP 780 691 048

34. 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. The Company agreed on the tax inspection results and the Company have paid and settled the principal amounts, with remaining the due late interest.

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 part of the tax inspection claims and remaining un-settled part have been transferred to the Appeal Committee.

Years from 2023 to 2024

The Company's books for these years have been inspected by the Tax Authority and the Company have paid and settled part of the tax inspection claims and remaining un-settled part have been transferred to the Internal Committee.

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.

Years from 2021 to 2024

The Company's books for these years have been inspected by the Tax Authority. The Company agreed on the tax inspection results and the Company have paid and settled the principal amounts, with remaining the due late interest.

Stamp tax

For the period from inception to December 31, 2019

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, 2020 to December 31, 2022

The Company's books for these years have been inspected by the Tax Authority, and the Company has objected on the tax inspection results, and the file have been transferred to the Internal Committee.

For the year 2023

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 year 2024

The Tax Authority has not yet inspected the Company's books for this year.

Payroll tax

For the period from inception to December 31, 2014

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 2015 to 2022

The Company's books for these years have been inspected by the Tax Authority and the Company have paid and settled the due taxes except for the due late interest for these years, which still under discussion with the Tax Authority.

For the years from 2023 to 2024

The Company's books for these years have been inspected by the Tax Authority and the Company have paid part of the due taxes 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 1 572 127.

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 2020/2025 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 development fee due and the delay penalties have been paid for the period from 2018 until 2022.

The Company paid all development fees on cement produced from local clinker until December 31, 2025.

Withholding Tax

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

35. Significant Events during the year

- 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%
- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on August 28, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points to reach 22%, 23% and 22.5%, respectively. The discount rate was also reduced by 200 basis points to 22.5%
- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on October 2, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to reach 21%, 22% and 21.5%, respectively. The discount rate was also reduced by 100 basis points to 21.5%.
- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on December 25, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to reach 20%, 21% and 20.5%, respectively. The discount rate was also reduced by 100 basis points to 20.5%.

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

- On February 19, 2026, the Board of Directors of the Company has approved to write off the outstanding treasury shares balance as of December 31, 2025 amounted to EGP 143 327 985, represents 1% of the total Company's shares of capital (Note No. 21).
- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on February 12, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to reach 19%, 20% and 19.5%, respectively. The discount rate was also reduced by 100 basis points to 19.5%

37. Approval of separate financial statements

The separate financial statements were approved by the board of directors and authorized for issuance on February 25, 2026.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer