



شركة سيدى كيرير للبتروكيماويات  
**Sidi Kerir Petrochemicals Co.**

Date : 28/5/2025

Attention: The Egyptian Exchange

greeting,

Please find attached the audited financial statements for the period of January – March 2025 along with the limited review report.

Kind regards.....

**Mohamed Fathy Aamer**  
Financial Control General Manager



**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Financial Statements**

**And limited review’s Report**

**For the Financial Period Ended**

**March 31, 2025**

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**Limited Review Report on the Interim Financial Statements**

**To the members of the Board of Directors of Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**

**Introduction**

We have performed a limited review for the accompanying financial position of Sidi Kerir Petrochemicals (Sidpec) "S.A.E" attached herewith as at Mar. 31, 2025, and the related statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three months period then ended. And a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial information in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on this interim financial information based on our limited review.

**Limited Review Scope**

We conducted our limited review in accordance with the Egyptian Standard on limited review engagement No 2410 " Limited review of Financial statements performed by the auditor of the entity" , a limited review of interim financial statements consists of making inquiries , primarily of persons responsible for financial and accounting matters , and applying analytical and other limited review procedures, a limited review is substantially less in scope than an audited conducted in accordance with Egyptian standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit , Accordingly we do not express an audit opinion on these financial statements.

**Conclusion**

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly in all material respects the financial position of Sidi Kerir Petrochemicals (Sidpec) "S.A.E" as at Mar. 31,2025 and its financial performance and cash flow for the three months then ended in accordance with Egyptian Accounting Standards.



**We would like to refer to:**

- 1- The legal dispute concerning the 70 acres related to the in-kind shares provided by the Egyptian Petrochemicals Company since the company's establishment has not yet been resolved
- 2- The long-term investments, have not been accounted for using the equity method, despite the existence of significant influence, in accordance with the requirements of Egyptian Accounting Standard No. 18 additionally, the financial statements did not include the fair value of investments in equity instruments (Note 5), as required by Egyptian Accounting Standard No. 47 (Note 5) .
- 3- The impairment of the propylene project, carried forward from prior years at a cost of approximately 282 million Egyptian pounds (Note 3), which represents the payment made for the UOP license, has not been assessed.

**Date: 28/05/2025**

**Nasr A. Ahmed – Morison Global**

**Accountants & Auditors Registration no. 5518**

**Auditors Registration in Financial Regulatory Authority no. 106**





**Auditor's report**

**On the corporate governance report**

**To / Sidi Kerir Petrochemical Company (S.A.E)**

**To / Financial Regulatory Authority (FRA)**

**Introduction:-**

We tested the report on the extent of compliance with the rules of governance prepared by the management of Sidi Kerir Petrochemical Company (S.A.E) for the financial period ended on Mar. 31, 2025.

**Management responsibility**

The company's management is responsible for preparing and presenting the report on the extent of compliance with the rules of governance in accordance with the instructions issued by the Financial Supervisory Authority and the Egyptian Guide to Corporate Governance issued by the Egyptian Directors' Center and the relevant laws and decisions as shown in the report on the extent of compliance with the rules of governance. It is also the responsibility of the management It extends to identifying points of non-compliances and its justification.

**Auditor responsibility**

Our responsibility is limited to testing the information contained in the report on the extent of compliance with the rules of governance and expressing a conclusion in light of the tests that were performed. We have tested the report on the extent of compliance with the rules of governance in accordance with the Egyptian Standard for Assurance Engagements No. (3000) "Assurance tasks other than reviewing or examining historical financial information." This standard requires compliance with the requirements of professional conduct, including independence requirements, and planning and performing the assurance process to obtain assurance that the report on the extent of compliance with the rules of governance is free of any significant and material misstatements. Testing the report on the extent of compliance with the rules of governance includes obtaining primarily evidence from the reality. Observation and inquiries from the persons responsible for preparing a report on the extent of compliance with governance rules and reviewing documents When it is appropriate, we believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. This report has been prepared for submission to the Financial Regulatory Authority based on the assignment of the company's management, and not for any other purpose. Therefore, it is only suitable for use for the purpose for which it was prepared.



**Conclusion:**

The report on the extent of compliance with the rules of governance referred to above expresses fairly and clearly in all its important aspects the extent of the company's compliance with the rules of governance during the financial period ended on Mar. 31, 2025, based on the instructions issued by the Financial Supervisory Authority and the Egyptian Guide to Corporate Governance issued by the Egyptian Center of Directors and their Relevant laws and decisions.

**Dated: 28 May 2025.**

**Nasr A. Ahmed – Morison Global**

**Accountants & Auditors Registration no. 5518**

**Auditors Registration in Financial Regulatory Authority no. 106**



**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"****Statement of financial position****As at March 31, 2025**

Translation from Originally Issued in Arabic

	<b><u>Note</u></b>	<b><u>31/12/2025</u></b>	<b><u>31/12/2024</u></b>
	<b><u>No.</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>
<b>Non-current assets</b>			
Fixed assets (Net)	1	1305 476 887	1319 935 066
Right of use assets	2	565 863	784 461
Projects under constructions	3	902 495 284	862 165 030
Real estate investments	4	13 396 214	13 396 214
Non-current investments	5	2687 276 126	2603 482 526
<b>Total non-current assets</b>		<b>4909 210 374</b>	<b>4799 763 297</b>
<b><u>Current Assets</u></b>			
Inventories (Net)	6	1924 398 253	2242 488 120
Trade and notes receivable	7	243 261 995	237 420 720
Due from related parties	8	1260 131 496	1980 332 142
Advance payments	9	25 282 301	25 282 301
Debtors and other receivables	10	1281 811 326	1108 649 074
Current investments	11	768 201 634	3461 750 987
Cash and cash equivalents	12	3918 305 462	258 587 317
<b>Total Current Assets</b>		<b>9421 392 467</b>	<b>9314 510 661</b>
<b>Total Assets</b>		<b>14330 602 841</b>	<b>14114 273 958</b>
<b><u>Equity</u></b>			
Issued and paid-up capital	13	1814 400 000	1814 400 000
Advance payment for capital increase		453 600 000	-
Legal reserve		907 200 000	756 000 000
Other reserves	14	2505 417 256	2230 417 256
Foreign currency translation (losses)		-	(451 641 883)
Retained earnings		413 171 079	223 658 962
Net profits for the period		586 715 229	2539 389 559
<b>Total equity</b>		<b>6680 503 564</b>	<b>7112 223 894</b>
<b><u>Non Current Liabilities</u></b>			
Loans	19	1119 716 066	1099 853 351
Finance lease liabilities		422 001	422 001
Long term provision	15	250 000 000	250 000 000
Deferred tax liabilities	16	108 368 663	211 943 640
<b>Total Non Current Liabilities</b>		<b>1478 506 730</b>	<b>1562 218 992</b>
<b><u>Current Liabilities</u></b>			
Loans	19	575 735 232	536 211 467
Bank credit facilities	19	1696 808 168	1258 723 755
Finance lease liabilities		321 194	612 491
Trade payables		88 022 167	129 419 209
Due to related parties	17	1274 127 455	2006 352 774
Other payables	18	2447 231 744	848 287 494
Income tax		89 346 587	660 223 882
<b>Total Current Liabilities</b>		<b>6171 592 547</b>	<b>5439 831 072</b>
<b>Total equity and liabilities</b>		<b>14330 602 841</b>	<b>14114 273 958</b>

The accompanying notes form an integral part of these financial statements.

Accountant/ Mohamed Fathy Amer

Accountant / Mohamed Adly Elbarbary

Engineer / Mohamed Ibrahim

General Director of Financial Control

Assistant of the company's president for financial  
and economic affairsChairman of the Board and  
Managing Director



**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"****Statement of profit or loss****For the financial period ended March, 31 2025**

Translation from Originally Issued in Arabic

		<u>from 1/1/2025</u>	<u>from 1/1/2024</u>
	<u>Note</u>	<u>to 31/3/2025</u>	<u>to 31/3/2024</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Sales from company's operations	(20-1)	3 077 997 719	3 346 660 800
Sales of commercial units		533 580 633	119 240 294
<b>Net sales</b>	(20-1)	<b>3611 578 352</b>	<b>3465 901 094</b>
<b>Less:</b>			
Cost of sales from company's operations	(21-1)	2 342 200 966	2 619 743 686
Cost of sales of commercial units		472 994 597	72 047 894
<b>Net cost of sales</b>	(21-1)	<b>2815 195 563</b>	<b>2691 791 580</b>
<b>Gross Profit</b>		<b>796 382 789</b>	<b>774 109 514</b>
<b>Less:</b>			
Marketing expenses	(21-2)	57 951 802	52 138 580
General and administrative expenses	(21-3)	187 106 537	191 133 339
Provisions	(21-4)	8 753 015	23 460 297
Other expenses	(21-5)	13 332 228	9 511 096
Finance expenses and interest	(21-6)	100 280 939	42 953 311
<b>Total</b>		<b>367 424 521</b>	<b>319 196 623</b>
<b>Add:</b>			
Investment income	(20-2)	8 681 924	111 587 133
Other operating income	(20-3)	7 644 839	11 170 374
Other income	(20-4)	13 570 225	1 803 211
Credit interests	(20-5)	107 218 590	121 601 628
Foreign currency gain	(20-6)	6 412 994	2 136 756
<b>Operating income</b>		<b>143 528 572</b>	<b>248 299 102</b>
<b>Net profit for the year before tax</b>		<b>572 486 841</b>	<b>703 211 993</b>
Income tax		89 346 587	142 843 818
Deferred tax		( 103 574 977)	894 762
<b>Net profit for the year after tax</b>		<b>586 715 230</b>	<b>559 473 413</b>
<b>Earnings Per Share</b>		<b>0.57</b>	<b>0.66</b>

The accompanying notes form an integral part of these financial statements.

Accountant/ Mohamed Fathy Amer

General Director of Financial Control

Accountant / Mohamed Adly Elbarbary

Assistant of the company's president for financial  
and economic affairs

Engineer / Mohamed Ibrahim

Chairman of the Board and  
Managing Director

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**  
**Statement of Comprehensive Income**  
**For the financial period ended March, 31 2025**

Translation from Originally Issued in Arabic

	<u>from 1/1/2025</u>	<u>from 1/1/2024</u>
	<u>to 31/3/2025</u>	<u>to 31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
Net profit for the period	586 715	559 473
<b><u>Add:</u></b>		
Other comprehensive income		
Foreign currency translation (losses)	-	( 444 297)
<b>Total Comprehensive Income for the period</b>	<b>586 715</b>	<b>115 176</b>

The accompanying notes form an integral part of these financial statements.

Sidi Kerir Petrochemicals (Sidpec) "S.A.E."  
Statement of Changes in Equity  
For the financial period March, 31 2025

Translation from Originally Issued in Arabic

	Capital	Legal reserve	Other reserves	Advance payment for capital increase	Retained Earnings	Net Profit for The period	Foreign exchange losses	Total
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
<b>Balance as at January 1, 2024</b>	1 512 000	630 000	1 530 350	-	118 999	2 458 697	-	6 250 046
Foreign exchange losses (comprehensive income) 2024	-	-	-	-	-	-	( 451 642)	( 451 642)
Applying EAS no. (5)	-	-	-	-	( 21 707)	-	-	( 21 707)
Transferred to legal reserves	-	126 000	-	-	-	( 126 000)	-	-
Transferred to other reserves	-	-	700 067	-	-	( 700 067)	-	-
Transferred to retained earnings	-	-	-	-	126 367	( 126 367)	-	-
Dividends for year 2023	-	-	-	-	-	( 1 203 863)	-	( 1 203 863)
Bonus shares	302 400	-	-	-	-	( 302 400)	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	2 539 390	-	2 539 390
<b>Balance as at December 31, 2024</b>	1 814 400	756 000	2 230 417	-	223 659	2 539 390	( 451 642)	7 112 224
Foreign exchange losses (comprehensive income) 2025	-	-	-	-	-	( 451 642)	451 642	-
Applying EAS no. (5)	-	-	-	-	168 704	-	-	168 704
Transferred to legal reserves	-	151 200	-	-	-	( 151 200)	-	-
Transferred to other reserves	-	-	275 000	-	-	( 275 000)	-	-
Transferred to retained earnings	-	-	-	-	20 809	( 20 809)	-	-
Dividends for year 2024	-	-	-	-	-	( 1 187 139)	-	( 1 187 139)
Bonus shares	-	-	-	453 600	-	( 453 600)	-	-
Net profit for the period ended March 31, 2025	-	-	-	-	-	586 715	-	586 715
<b>Balance as at March 31, 2025</b>	1 814 400	907 200	2 505 417	453 600	413 172	586 715	-	6 680 504

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"****Statement of Cash Flows****For the financial period Ended March, 31 2025****Translation From Originally Issued in Arabic**

	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
<b>Cash flows from operating activities</b>		
Net profit before tax and extraordinary items	572 486 839	703 211 993
<b>Adjustments to reconcile net profit to cash flow From operating activities</b>		
Depreciation	20 916 677	29 483 348
Provisions	8 753 015	23 460 297
Credit interests	( 107 218 589)	( 121 601 628)
Investment income	( 8 681 924)	( 111 587 133)
(losses) due to assets disposal	( 200 000)	-
Debit interests	100 280 940	42 953 311
Foreign currency (losses)/ gain	( 6 412 994)	( 2 136 756)
<b>Operating profit before changes in working capital</b>	<b>579 923 964</b>	<b>563 783 432</b>
Changes in trade, notes receivables and other receivables	17 282 295	(1 408 224 941)
Changes in inventories	318 089 867	( 352 065 255)
Changes in trade and notes payable	( 360 478 262)	1 053 134 879
<b>Cash flow from operating activities before extraordinary items</b>	<b>554 817 864</b>	<b>( 143 371 885)</b>
Proceeds from credit interests	146 980 499	119 532 386
Payments for debit interests	( 103 622 376)	( 36 192 949)
Payments of income tax	( 4 589 260)	( 21 196 465)
<b>Net cash (used in) operating activities</b>	<b>593 586 727</b>	<b>( 81 228 913)</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of fixed assets	( 46 570 154)	( 109 646 252)
Proceeds from fixed assets	200 000	-
Current investments	( 312 517 143)	976 603 737
Non-current investments	( 83 793 600)	( 289 958 007)
<b>Net cash (used in) investing activities</b>	<b>( 442 680 897)</b>	<b>576 999 478</b>
<b>Cash flows from financing activities</b>		
Dividends payable	-	( 258 863 021)
Loans	71 020 741	3 284 979
Finance lease liabilities	( 291 297)	( 227 184)
Current bank credit facilities	442 861 696	57 475 144
<b>Cash flows (used in) financing activities</b>	<b>513 591 140</b>	<b>( 198 330 082)</b>
<b>Cash flows from all activities</b>	<b>664 496 970</b>	<b>297 440 483</b>
Foreign exchange differences (Comprehensive Income)	( 8 153 788)	266 070 532
Expected credit losses for cash and equivalents	( 2 691 533)	( 7 302 451)
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>653 651 649</b>	<b>556 208 564</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3 264 653 813</b>	<b>684 977 841</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>3 918 305 462</b>	<b>1 241 186 405</b>

The accompanying notes form an integral part of these financial statements.

**First- Background:**

- Sidi Kerir Petrochemicals (Sidpec) Is an Egyptian Joint Stock Company established under the investment incentives and guarantees law no. (8) of 1997 and related executive regulations as replaced by law no. (72) of 2017, and under law no. (159) of 1981 with regarding to law no. (9 5) of 1992.

- **Registration in the Commercial Registry**

The company was registered in Alexandria Investment Commercial Registry under no. 145404 on November 18, 1997.

-The term of the company was extended until the year 2047 according to the extraordinary general assembly held on 20/3/2022

- **Capital structure:**

- Authorized capital: EGP 5100 billion.
- Issued and paid-up capital: EGP 1814400000.
- The company's issued shares are registered as central depository amounted to 907200000 million shares with nominal value of EGP 2 per share.

- **Registration in the Stock Exchange:**

- The company is listed in the Egyptian Stock Exchanges on 19/3/2005.
- The company's trading shares in the Stock Exchanges starts from 3/7/2005.

- **Head office:**

- , El-Nahda Street Km 36 Alexandria/Cairo Desert Road near El-Amerya Alexandria, Government Egypt

**Purpose of the company:**

- Construction of petrochemical products complex for producing the primary petrochemicals, intermediates, derivatives and major end use products of petrochemicals. Also, the company's purpose includes all the complementary process such as manufacturing and establishment of pipe lines and import gas for the purpose of manufacturing. The Company may undertake other projects or modify its purpose.
- Construction, acquisition, operation, and management of a power plant for use in the consumption of the company and the sale of surplus electricity to companies and national network of Egypt.
- Sale and marketing of all its products as well as other petrochemical products. Import, export, manufacturing, packaging, and sale of petrochemical products, and all kinds of plastics, this is without violating the provisions of laws, regulations, and decisions in force, and provided that the necessary licenses issued to carry out these activities. The Company may contribute or participate in any way in or with companies and others that engage in acts of their business or that may cooperate in achieving its purpose in Egypt or abroad.

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

Translation From Originally Issued in Arabic

- **Chairman and Managing Director:**

Engineer / Mohamed Mohamed Ibrahim

- **The company's production capacity:**

- Production of Ethylene with a production capacity of 300 thousand tons yearly.
- Production of Polyethylene with a production capacity of 225 thousand tons yearly.
- Facilities with the capacity needed to cover the Company's production projects.
- Production of Biotin with a production capacity of 10 thousand tons yearly
- Production of butane gas with a production capacity of 50 thousand tons yearly with maximum according to the feed gases specifications.

- **Authorization of the financial statements:**

The financial statements were prepared by the Company's management, then the audit committee present it to the Board of Directors to authorize for issue and approved on May 7, 2025.

**Second- Basis of preparation of the financial statements**

**Statement of compliance**

- foreign currency is translated at the transaction's exchange rate date, and the statement of financial position date, monetary assets and liabilities in foreign currencies are translated into Egyptian pounds using the exchange rate prevailing at the date of the statement of financial position, with any resulting exchange differences recognized in the income statement.
- According to the decree of Prime Minister no. (1711) for year 2024, provisionally approved the recognition of debit currency differences arising from foreign currency liabilities at the exchange rate date at the end of 6 March 2024 or at the closing date within the cost of these assets
- Also , permitted to recognize exchange differences resulting from the translation of monetary assets and liabilities into foreign transactions on March 6, 2024 or at the closing date within the items of comprehensive income.
- Financial obligations that have been designated as a hedging instrument to cover the risk of net investment in a foreign activity as long as the hedging is effective.
- Hedging instruments used in cash flow risk are translated as long as the hedge is effective.

**Basis of measurement**

- These financial statements have been prepared under historical cost basis, except for current investments (investment securities).

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

Translation From Originally Issued in Arabic

**Functional and presentation currency**

- These financial statements are presented in Egyptian pound, the main currency of the company's functional and presentation currency.

**Use of Estimates and assumptions**

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of these assumptions represent the judgmental basis for the value of assets and liabilities that may not apparently available from other sources. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on-going basis. Reviewed accounting estimates are recognized in the same revision period, and impact of revaluation takes place in that period or in any future financial periods that may affected by it. Information about significant items in which these estimates and personal judgment are used, which have a significant effect on the values in the financial statements, is included in the following notes:

- Provisions and contingencies.
- Operational useful life of fixed assets.
- Accrued expenses.
- Impairment loss on financial assets and non-financial assets.
- Deferred tax
- Fair value measurement

**Statement of cash flow**

- Cash flow statement is prepared using the indirect method. For the purpose of preparing the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and checks under collections, and bank overdraft balance that is not included in the overall bank credit facilities package. The balance of Bank overdraft that is part of the company's credit facilities is included in the current liabilities in the balance sheet.

**Comparative figures**

- The comparative figures shall be re-classified when necessary to be in conformity with the changes in the presentation adopted in the current period according to EAS.

**Third: Significant accounting policies**

- The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

Translation From Originally Issued in Arabic

**Foreign currency transactions**

- Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.
- According to Prime Ministerial Decree No. 171 of 2024, a temporary option has been granted to allow the recognition of foreign exchange losses on outstanding foreign currency liabilities—at the revaluation date linked to fixed assets—either as of the end of March 6, 2024, or at the closing date, as part of the asset’s cost.  
The decree also permits the recognition of foreign exchange differences arising from the translation of monetary assets and liabilities denominated in foreign currencies—at the end of March 6, 2024, or at the closing date—within other comprehensive income.
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

**Discontinuing operation**

- A discontinued operation is a component of the Company’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Company.
- Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.
- When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

**Property, plant and equipment**

**Recognition and initial measurement:**

- Plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.
- The fixed assets owned by the company and held for use in production or provision of goods or services or for administrative purposes are proven at cost and fixed assets in the financial position are shown at historical cost, less the combined depreciation and accumulated loss resulting from the decrease in value.
- Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended



**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

Translation From Originally Issued in Arabic

use, the costs of dismantling and removing the items, and restoring the site on which they are located and capitalized borrowing costs.

- Computer software programmes acquired, which enhances or extends the performance of computers is capitalized and added to the original cost of the software.
- Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets represents a component of the cost of these assets. Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. all borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Subsequent costs on the acquisition**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

**Depreciation**

- Depreciation is calculated to write off the cost of items of property, plant, and equipment less than their estimated residual values using the (straight-line method) over their estimated useful lives for each item.
- Depreciation is recognised in profit or loss using the straight-line method over their estimated useful lives for each item of property, plant and equipment. The land is not depreciated.
- Estimated depreciation rates for each type of asset are as follow:

<b><u>Description</u></b>	<b><u>Rate</u></b>	<b><u>Useful lives</u></b>
Buildings and constructions	5%-2%	20-50 years
Machinery and equipment	5%	20 years
Transportation and vehicles	20%-10%	5-10 years
Tool	20%-10%	5-10 years
Computers	25%	4 years

- Depreciation commences when the fixed asset is completed and made available for use. Depreciation method useful life and residual value are reviewed at each financial statements date and adjusted as appropriate.

**Capital gains and losses from the exclusion of fixed assets**

- Profits and losses resulting from the exclusion of fixed assets arising from comparison of net selling value and net book value of the asset resulting in capital gains and losses recognized in the income statement.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.F”**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

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**Borrowing costs**

- Loans are initially recognized at fair value, net of transaction costs incurred. Subsequently, these loans are measured at amortized cost, and the difference between the proceeds received (net of transaction costs) and the amount repayable at maturity is recognized in the income statement over the term of the loan using the effective interest rate method.
- Borrowing costs include interest on bank overdrafts and borrowings, finance charges on finance lease and exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest cost are recognised in profit or loss. Capitalisation should commence when borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, are added to the cost of those assets, and depreciated over the useful life.
- Loans are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date
- Capitalisation should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation should be suspended during periods in which active development is interrupted.
- All other financial costs are recognized at the income statement during the incurred period

**Right of use assets**

**Recognition and initial measurement:**

- The Company recognises a right of use asset at the lease commencement date.
- The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

**Right of use assets subsequent measurement:**

- The right of use asset is subsequently measured by cost model after the lease commencement date. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**Depreciation**

- The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. The right of use asset is depreciated on a lease term, if ownership of the leased asset transferred to the Company at the end of the lease term or if the company will exercise the purchase option. Otherwise, right of use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

**Projects under construction**

- Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction, projects under construction are measured at cost less

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accumulated impairment losses. No depreciation is charged until the project is completed and transferred to fixed asset.

- All expenses related to cost include direct and necessary to prepare the asset to the state that is ready to use and in the purpose for which it was acquired. The asset is transferred from projects under construction to fixed assets when it is completed and ready to use.

**Real estate investments**

- The company shall recognize the property investment firstly at the cost when probable future economic benefits flow will be in the interest of the company, the company can measure the property investment accurately when the company intends to keep or rent these assets or the company expects an increase in the value of the property investment, or both.
- The real estate investment cost includes all the costs for its acquisition.
- After initial recognition, real estate investment is measured according to EAS no. (10).

**Long term investments**

- The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if impairment in the value has occurred, it is written off in the period in which those circumstances are identified.
- Long-term investments are recognized at cost on acquiring date, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition and the investor's share of the investee's profit or loss is recognised in the investor's profit or loss.
- Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline. Indicators of the value of an investment are obtained by reference to its market value, the investee's assets and results and the expected cash flows from the investment. The type and extent of the investor's stake in the investee are also taken into account. Restrictions on distributions by the investee or on disposal by the investor may affect the value attributed to the investment.

**Financial investments at fair value through profit or loss**

- These are investments in investment fund documents and are recorded at acquisition cost and are evaluated according to the last declared redemption value, the differences in the change in the redemption value are included in the income statement.

**Inventories**

- Inventories are stated at the lower of cost or net realizable value. The net realizable value is estimated at the selling price in normal activity, less the expected cost of completing those items, in addition to the selling expenses for that inventory. The cost of inventory is

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represented in the cost of acquisition and in addition to the necessary costs associated with the inventory to its location which to be ready for use. Cost of inventories are determined according to the following:

- **A-Raw material and spare parts:** according to its actual cost that have been incurred in bringing the inventories to their present location and condition. Cost is determined in accordance with the weighted average cost method.
- **B-Finished goods:** are determined at the lower of manufacturing overhead cost or net realizable value.

**Trade receivables, and other receivables**

- Accounts receivable represent amounts due for sales in the course of business. If these amounts are expected to be collected within a year or less, they are classified as current assets. Otherwise, they are classified as non-current assets.
- Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate less impairment losses.
- Trade, notes receivables, and other receivables which does not include interests are recognized at nominal value net of any impairment losses. The impairment is calculated based on actual historical data that has occurred. Impairment losses are measured as the difference between the recoverable carrying amount and the present value of estimated future cash flows.

**Related party transactions**

- The company's related party transactions in the context of its normal activity are recognised according to pricing policies and terms approved by the boards of directors, with the same conditions and impact with unrelated party on income and financial position without any discrimination.
- Related party relations and transactions are disclosed in the notes of the financial statements.

**Financial instruments**

**Financial instruments other than derivatives**

- The company does not use financial instruments derivatives, whether for the purpose of hedging risks or trading, and financial instruments other than derivatives include equity instruments, debt instruments, customers and other debit balances, cash and cash equivalents, loans, trade and other payables.

**Impairment**

**A) Financial assets**

- The carrying values of financial assets are reviewed at the date of the financial statements for the purpose of determining whether there is any impairment in their value. A financial asset is considered impaired if there is objective evidence that one or more events have had a negative impact on future cash flows from the use of this asset.

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- The impairment test for significant financial assets is carried out individually at the level of each asset. As for other financial assets, which can and can be classified into groups in light of the characteristics of credit risk, the impairment test is conducted at the level of groups that share the same credit risk characteristics.
- All impairment losses are recognized in the income statement. The accumulated losses related to a financial asset available for sale that were previously recognized in equity are transferred to the income statement if the decrease in its value indicates a decrease in the value of the financial asset available for sale.
- Impairment losses are refunded if it can be linked objectively to an event that occurred after the recognition of impairment losses related to financial assets measured at amortized cost and financial assets that are considered a debt instrument in the income statement. Impairment losses in the value of financial assets available for sale are refunded by equity

**B) Non-financial assets**

- The carrying values of non-financial assets other than inventory and deferred tax assets are reviewed at the date of the financial statements to determine whether there is any indication of impairment. The recoverable value of these assets is estimated.
- An impairment loss is recognized if the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. The impairment losses are recognized in the statement of income.
- The recoverable amount of an asset or cash-generating unit is its value in use or its fair value less costs to sell, whichever is greater. The expected future cash flows are discounted to the present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks associated with the asset.
- Impairment losses recognized in prior periods for non-financial assets are reviewed at the date of the financial statements to determine the extent to which there are indications that the loss has decreased or not. The impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount, and the impairment loss is reversed within the limits so that the carrying amount of the asset does not exceed the carrying amount that would have been calculated after deducting depreciation or amortization if the impairment loss had not been recognised.

**Financial policies have been implemented starting 2021- Egyptian accounting standards No.47**

**Impairment of financial assets**

- The company reviews financial assets, excepts for assets that are measured at fair value, to estimate the extent of impairment in their value through three phases
  - 1- **Phase one:** the financial assets that are not encountered significant encountered significant increase in credit risk and credit loss over for 12 months is calculated

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**Notes to the Financial Statements (Continued)**

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- 2- **Phase two:** the financial assets that encountered significant increase in credit risk and credit loss over their useful life is calculated
- 3- **Phase three:** the financial assets that are impaired and credit loss is calculated over its useful life, loss is their difference between the net book value of the assets and the expected future cash flow from this asset.

**Credit loss and impairment losses are measured in value that related to the financial instruments as follows: -**

- Low risk financial instruments are classified when recognized on phase one and credit loss is closely monitored continually through the company
- If there is determination of material increasing in credit losses on 1<sup>st</sup> recognition, the financial instruments to be transferred to phase two since there is no consideration of impairment losses in this phase
- If there is indicator of impairment losses thus the financial instruments to be transferred to phase three

**Financial Instruments and risk management**

**Liquidity risk:**

- Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Market risk:**

- Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.
- The Company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Management.

**Foreign currency risk:**

- Foreign currency risk arises from transactions denominated in foreign currencies.
- Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

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**Interest rate risk:**

- Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's obligations with variable interest rates. Interest on financial instruments is re-priced with a variable interest rate from one period to another, not exceeding one year.

**Cash and equivalent**

- Cash and cash equivalents include cash on hand, cash in banks and checks under collections, and bank overdraft balance that is not included in the overall bank credit facilities package. The balance of Bank overdraft that is part of the company's credit facilities is included in the current liabilities in the balance sheet.

**Capital management**

- The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and - To maintain a strong capital base to support the development of its business.

**Legal reserve**

- According to the Company's law requirements and the statutes of the company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level, then the company is required it resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital, this is in accordance with law no.159 of 1981.

**Lease contract obligation**

**Initial recognition**

- The Company recognizes a lease liability at the lease commencement date.
- The lease liability is initially measured at cost, at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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- The lease payments at the start of the lease that are not paid at the start date of the lease consist of fixed payments less any lease incentives receivable, and variable payments based on an index or rate.
- The lease payments also include amounts expected to be paid under residual value guarantees.
- And the exercise price of the purchase option if the lessee is reasonably certain to exercise that option.
- Payments of fines for termination of the lease if the lease term reflects the exercise of the option to terminate the lease.

**Subsequent measurement of the lease obligation**

- Increase the carrying amount of the liability to reflect the interest on the lease.
- Reducing the carrying amount of the liability to reflect lease payments
- "Re-measurement of the carrying amount of the lease liability to reflect any reassessment or modifications to the lease, or to reflect revised in-substance fixed lease

**Provisions**

- Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate.

**Income and deferred Tax**

**Income tax**

- The recognition of the current tax and deferred tax as income or expense in profit or loss for the year, except in cases in which the tax comes from process or event recognized - at the same time or in a different period - outside profit or loss, whether in other comprehensive income or in equity directly or business combination.

**Deferred tax**

- Deferred tax is recognized as an asset or liability in the financial position, arising from temporary time differences between the book value of assets and liabilities according to the tax basis.
- Tax Law No. 91 for 2005 came with a tax depreciation system that led to a difference in accounting profit from tax profit due to the different periods of recovery of fixed asset values, and since tax depreciation leads to depreciation of asset values at periods less than



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accounting depreciation, which leads to the deportation of tax obligations to financial periods in which it becomes, the tax profit and tax obligations are not commensurate with the accounting profit, and those periods are charged with tax obligations resulting from previous periods. It is followed by periods in which the accounting depreciation is greater than the tax depreciation, and in this case, the previously created tax obligations are used.

- Deferred tax asset arising from the tax losses carried forward, the right to unused tax deduction and deductible temporary differences are recognized when there is a strong possibility of achieving taxable profits in the future through which this asset can be used, and the unrecognized deferred tax assets are reassessed at the end deferred tax assets that were not previously recognized to the extent that it becomes likely in the future that there will be a tax profit that would allow absorbing the value of the deferred tax asset.
- The deferred tax value is measured based on the expected method to realize or settle the values of assets and liabilities using the tax rates in effect at the date of preparing the financial statements.
- When measuring deferred tax at the end of the financial year, the tax effects of the procedures followed by the company to recover or pay the book value of its assets and liabilities are taken into consideration.
- Deferred tax assets and liabilities are offset only if certain criteria are met.

**Trade and other payables**

- Trade payables are recognized initially at fair value and subsequently measured at amortized cost using effective interest rate.

**Revenue from contracts with customers**

The company recognizes revenue from contracts with customers by applying a five-step model as depicted within EAS no. 48:

**Step 1:** Identify the contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations, and set the criteria that should be satisfied for each contract.

**Step 2:** Identify the performance obligations in the contract. The performance obligation is a promise in a contract with a customer to transfer to the customer either: a good or service.

**Step 3:** Determine the transaction price. The transaction price is the amount of consideration to which an 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 obligations in the contract. If the contract contains more than one performance obligation, the company will allocate the transaction price to each obligation at an amount reflecting the consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognize revenue when (or as) the entity satisfies a performance obligation.

**Revenue recognition**

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- Revenue is measured at the fair value of the consideration received or receivable, arising from the sale of goods, excluding value-added tax (VAT), discounts, and rebates .
- Revenue is recognized when it can be reliably measured, when it is probable that the economic benefits associated with the sale will flow to the company, when the related costs (whether incurred or to be incurred) can be measured reliably, and when other specific conditions related to each of the company's activities, as outlined below, are met

**Goods sold**

- Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, the inflow of economic benefits is probable, the associated costs and the potential returns can be measured reliably, there is no continuing managerial involvement associated with the goods, and the amount of revenue can be measured reliably and revenue is measured net of returns, trade discounts, and volume rebates
- Some sales may contain a financing component, depending on the credit period granted for each transaction, with a maximum of one year from the transaction date .

**Investment income**

- Revenues from financial investments are recognized when the right of the company's shareholders to the distributions made by sister companies and available for sale in the financial period in which those dividends are approved by the general assemblies of the investee companies is established.
- Investment income is recognised within the limits of the dividends the company receives from the investee companies, which are realized after the date of acquisition, as of the date of the distribution decision issued by the general assemblies of the investee companies, which approved the dividends distribution.

**Finance income**

- Financing income includes interest income on invested funds, dividends received, profits realized from the sale of financial investments available for sale, and changes in the fair value of financial investments at fair value through profit and loss. Interest income is recognized on an accrual basis using the effective rate of return method.
- Dividend income from investments is recognized when the company's right to dividends is established, in the financial period in which those dividends are approved by the general assemblies of the investee companies.

**Expenditures**

- All expenditures including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

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**Lease payments**

- Payments for operating lease contracts from third parties are recognized in the statement of income on a straight-line basis over the term of the contract, and the collected rental incentives are recognized in the statement of income as an integral part of the total rental expense.

**Pension Plan**

- The company pays the social insurance subscription that related to the employees to the General Authority for social insurance based on the social insurance legal instruction no (148) for year 2019 and its amendments, and further the company pays subscriptions for employees' pension system based on the procedures approved by the board of directors with fixed rates from employees' salaries and are charged to the income statements.

**Finance costs**

- Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit, or loss impairment losses recognized on financial assets.
- Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method.
- Foreign currency gains and losses are reported on a net basis.

**Shares profitability**

- The company presents data on the basic share of the share of its common shares, the basic share of earnings per share is calculated by dividing the profit or loss related to the shareholders from their contribution to the company's common shares on the weighted average number of ordinary shares listed during the year.

**Employees' share of profits**

- In accordance with the companies law and the basic regulations of the company, 10% of the company's profits are distributed to employees provided that they do not exceed the total annual wages for them for the last financial year before distribution and recognizes the share of employees in profits as part of the dividends in property rights and obligations when the General Assembly approves the company's shareholders and does not register any commitments to the share of the two worlds in undiversified profits.

1 Fixed Assets

Translation from Originally Issued in Arabic

Cost:	Land*	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Tools & Supplies	Right use of assets	Total
Cost as at January 1, 2025	272669885	329113868	2754019166	29283569	201389870	62371544	4432671	3653280573
Additions during the year	-	-	3045400	-	3071571	122930	-	6239901
Cost as at March 31, 2025	272669885	329113868	2757064566	29283569	204461441	62494474	4432671	3659520474
Accumulated Depreciation as at January 1, 2025		242364081	1925693405	11814275	93805947	55235124	3648211	2332561044
Accumulated depreciation during the year	-	1206541	11292595	988605	6860325	350013	218597	20916676
Accumulated Depreciation as at March 31, 2025	-	243570622	1936986000	12802880	100666272	55585137	3866808	2353477720
Net Book Value as at March 31, 2025	272669885	85543247	820078566	16480688	103795168	6909337	565863	1306 042 754
Net Book Value as at December 31, 2024	272669885	86749788	828325761	17469293	107583922	7136420	784460	1 320 719 529

Lands in-kind share of 180 acres represents Egyptian Petrochemical Company share, one of the petroleum sectors companies, upon the establishment of the company and it was evaluated by three legal committees at that time. All the in-kind shares were registered in the Real Estate Registry except for 70 acres space because of a legal dispute between the Egyptian Petrochemicals Company and Al-Nahda Company the land seller on the space difference deficit, not a dispute over ownership. Knowing that all the company's buildings are built on these lands, and the company has had a quiet and stable possession since 1998.

An area of approximately 116 acres owned by the company, other than its public benefit spaces, based on fully registered contracts, except for a 14-acre plot, other than its public common benefits area. And it was found that there was a judicial dispute over this plot between the seller and others. The company has taken all legal procedures to preserve its rights and the company has a quiet and stable possession. Part of this land is included in the real estate investment of the company.

During 2019 the Company purchased a land of approximately 76 acres excluded the common public benefit space, and it was transferred to the Company's ownership according to ownership contracts registered in the Real Estate Registry.

There are also productive assets that are obsolete and still operating, with a value of approximately 126 million EGP.

<b>2- Right of use assets</b>	<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
<b>Vehicles</b>	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Cost at the beginning of the period	4 433	4 433
Proceeds during the period	—	—
<b>Cost as at March 31, 2025</b>	<b><u>4 433</u></b>	<b><u>4 433</u></b>
<b><u>Accumulated amortization</u></b>		
Accumulated amortization, beginning balance	3 648	2 762
Add: amortization during the period	219	886
<b>Accumulated amortization as at December 31</b>	<b><u>3 867</u></b>	<b><u>3 648</u></b>
<b>Right of use assets (Net)</b>	<b><u>566</u></b>	<b><u>785</u></b>

The financial impact of applying EAS related to finance lease no. (49) and the amount is charged to the profit and loss statements for the financial period ended 31/3/2025

Right of use assets recognized on statements of income for the period ending March 31, 2025

Amortization for the period	219	886
Interest of financial lease	68	449
<b>Total</b>	<b><u>287</u></b>	<b><u>1 335</u></b>

<b>3- Projects under construction</b>	<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Propylene project and utilities	281 553	281 553
Resources management system (ERP)	4 566	5 752
Steam energy generation Project	498 950	477 059
Development of administrative buildings	33 064	24 915
Developing the cybersecurity system	30 096	30 096
Gas reduction and metering station	27 360	27 360
Camera systems for factories and buildings	26 906	15 430
<b>Total</b>	<b><u>902 495</u></b>	<b><u>862 165</u></b>
<b>Net</b>	<b><u>902 495</u></b>	<b><u>862 165</u></b>

**4- Property investments**

The property investments represent the value of the allocated land as right of use, according to the contract with the Egyptian Company for Ethylene and its Derivatives during year 2012

	<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
The value of lands allocated for right of use ( cost)	13 396	13 396
<b>Total</b>	<b><u>13 396</u></b>	<b><u>13 396</u></b>

5- Long-term investment	Percentage of shares	31/3/2025	31/12/2024
		EGP000	EGP000
Egyptian Ethylene and Derivatives Company -Ethedco	20%	958 303	958 303
Petrochemicals Logistic Services Company-PLS	20%	43 607	43 607
Wood Technology Company-Wotech	28%	1 304 214	1 220 421
Red Sea National Petrochemicals Company	5%	234 378	234 378
Alexandria for Clerk Fiber Company	20%	57 310	57 310
The Egyptian company for organic ethanol	7.50%	101 088	101 088
Alexandria Supply Chain Company	25%	45 686	45 686
less:			
Provision for investment risk		( 57 310)	( 57 310)
<b>Total</b>		<b>2 687 276</b>	<b>2 603 483</b>

\* Wood Technology Company increased its issued capital from 132 Million Euro to 199 million Euro by amount of 67 million Euro within the authorized capital , and the share of Sidi Kerir Petrochemicals Company amounted to about 18,760 million Euro and 88 % from the second increase has been paid through during 2024-2025.

\* Red Sea Company recalled 50% of its issued capital amounted to 600 million Dollars, during the financial year 2021, and Sidi Kerir Petrochemicals Company share amounted to about 15 million Dollars, equivalent to 234,378 million Pounds.

\* The contribution of the company in the paid up capital of the Egyptian company for Ethylene is 7.5% amounting to 3.180 million dollars It is one of the green projects that supports sustainability to reduce carbon emissions, and it has been paid in full

\* The decisions of the Ordinary General Assembly of the Iskanria Fiber Company were issued and a judicial liquidator was appointed for the company, who assumed his responsibilities. The Ordinary General Assembly of the company was invited to convene on 12-28-2023 and issued its decision to authorize the liquidator, Mr. Abdullah Muhammad Al-Adly, or whomever he delegates, to terminate the company's contract and erase the record. Commercial and termination of liquidation ,there is no redemption value for the investment in Alexandria Fiber Company (under liquidation) and a full provision for the investment value has been made during previous years with a total of 57,310 million EGP

6- Inventories	31/3/2025	31/12/2024
	EGP000	EGP000
Chemicals and packaging materials	281 380	307 374
Spare parts inventory and auxiliary materials	814 993	803 917
Raw materials & equipment inventory	187 565	79 141
Available for sale inventory	139 166	608 605
Finished goods inventory	501 295	443 451
<b>Total</b>	<b>1 924 399</b>	<b>2 242 488</b>

			<u>31/3/2025</u>	<u>31/12/2024</u>	
			<u>EGP000</u>	<u>EGP000</u>	
7-	<b>Trade and notes receivable</b>				
	Polyethylene trade receivables		245 765	237 885	
	Ethan trade receivables		422	-	
	Ethalin trade receivables			2 385	
	<b>Total</b>		<b>246 187</b>	<b>240 270</b>	
	Less :				
	Expected credit loss		( 2 925)	( 2 849)	
	<b>Total</b>		<b>243 262</b>	<b>237 421</b>	
8-	<b>Due from related parties</b>	<b>The Period 2025 transactions by million</b>	<b>31/3/2025</b>	<b>31/12/2024</b>	
		<b>Kind of transactions</b>	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>	
	Egyptian General Petroleum Corporation (EGPC)	364	Selling naphtha ethylene products	547 365	1 232 959
	The Egyptian Holding Company for Petrochemicals	7	Technical assistance and product distribution	92 060	105 366
	The Egyptian Ethylene and Derivatives Company (ETHYDCO)	-	Usufruct, supply and sale of raw materials	124 443	-
	Styrenks Company	-	Technical services	-	130 564
	Petrochemicals Logistic Services Company	-	Miscellaneous expenses.	-	14
	Ebram company	-	Miscellaneous expenses.	-	1 376
	The Egyptian Linear Alkyl Benzene Co. (ELAB)	-	Miscellaneous expenses.	-	122
	Amerya company	-	Miscellaneous expenses.	-	185
	Arab Petroleum Pipelines Company (SUMED)	-	Nahda road	-	408
	The Egyptian company for organic ethanol	-	Miscellaneous expenses.	-	2 958
	Red Sea Company	-	Polypropylene License	554 567	558 225
	Wood Technology Company	-	Miscellaneous expenses.	-	56
	Egyptian Soda Company	-	Miscellaneous expenses.	-	152
	Other (development of civil protection buildings with the private sector)	-	Miscellaneous expenses.	-	317
	<b>Total</b>		<b>1 318 435</b>	<b>2 032 702</b>	
	Less:				
	Expected credit losses		( 58 303)	( 52 370)	
	<b>Total</b>		<b>1 260 132</b>	<b>1 980 332</b>	
9-	<b>Advance payments</b>		<b>31/3/2025</b>	<b>31/12/2024</b>	
			<b><u>EGP000</u></b>	<b><u>EGP000</u></b>	
	UOP Company		8 797	8 797	
	Paralloy limited		14 773	14 773	
	Future house		1 518	1 518	
	ABB Industrial system and Power		195	195	
	<b>Total</b>		<b>25 283</b>	<b>25 283</b>	

<b>10 Debtors and other receivables</b>		<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Value added tax refundable		209 689	289 052
Accrual deposit interests		14 070	53 832
Advanced payments for suppliers and constructors		426 782	83 718
Employees loans		149 105	139 610
Income tax prepayments		285 348	445 711
Prepaid expenses		173 425	69 040
Sales tax "Vat" from Customs Department		22 953	24 194
Pension systems		-	3 000
Deposit with others		563	563
<b>Total</b>		<b><u>1 281 936</u></b>	<b><u>1 108 720</u></b>
<b>Less:</b>			
Expected credit losses		( 125)	( 72)
<b>Total</b>		<b><u>1 281 811</u></b>	<b><u>1 108 648</u></b>
<b>11- Current investments</b>		<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Investment Certificates	11/1	260 491	253 398
Treasury bills	11/2	507 710	202 286
<b>Total</b>		<b><u>768 201</u></b>	<b><u>455 684</u></b>
<b>11/1- Financial investments through profit and losses</b>		<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Investment Certificates		260 491	253 398
<b>Total</b>		<b><u>260 491</u></b>	<b><u>253 398</u></b>
<b>11/2- Treasury bills at amortized cost</b>		<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Treasury bills		510 000	212 650
Less :			
Unrealized gain		( 2 290)	( 10 364)
<b>Total</b>		<b><u>507 710</u></b>	<b><u>202 286</u></b>
<b>12- Cash and cash equivalents</b>		<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
		<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Time deposits	12/2	3 393 422	3 006 066
Cash at banks	12/1	546 723	278 017
Governmental payment system		822	540
<b>Total</b>		<b><u>3 940 967</u></b>	<b><u>3 284 623</u></b>
<b>Less:</b>			
Expected credit losses		( 22 661)	( 19 970)
<b>Total</b>		<b><u>3 918 306</u></b>	<b><u>3 264 653</u></b>



12/1	<b>Cash at banks</b>	<u>31/3/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
	Current Account – EGP	497 892	252 608
	Current Account – USD	48 831	25 409
	<b>Total</b>	<b>546 723</b>	<b>278 017</b>

  

12/2	<b>Time deposits</b>	<u>31/3/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
	Time deposits– EGP	1 186 216	873 150
	Time deposits – USD	2 207 206	2 132 916
	<b>Total</b>	<b>3 393 422</b>	<b>3 006 066</b>

- \* Balances in foreign currencies were revalued at the balance sheet date based on the exchange rate of EGP 50.50/ Dollars
- \*\* Deposits appearing in the financial statements include 900 million EGP held as collateral against open documentary credits
- \*\*\* Deposits appearing in the financial statements include 4.5 million USD held as collateral against open documentary credits

13	<b>Issued and paid-up capital</b>	<b>No. of shares</b>	<b>Issued and paid-up capital</b>	<b>Shares</b>
				<b>Percentage</b>
	Egyptian holding company for petrochemicals	181 440 000	362 880 000	20%
	The insurance fund for government worker	188 261 054	376 522 109	21%
	The insurance fund for private and public sector workers	111 072 906	222 145 812	12%
	The Egyptian Petrochemical company	62 806 156	125 612 311	7%
	The National Investment Bank	62 806 156	125 612 311	7%
	El-Ahly Capital	62 806 156	125 612 311	7%
	Misr Insurance company	16 826 811	33 653 621	2%
	Naser bank	12 096 000	24 192 000	1%
	Other shareholders	209 084 763	418 169 525	23%
	<b>Total</b>	<b>907 200 000</b>	<b>1 814 400 000</b>	<b>100%</b>

- The authorized capital amounted to 5100 billion EGP and the issued and paid-up capital was 1814400000 EGP distributed over the number of 907200000 shares with a nominal value per share of 2 Egyptian pounds.

- The Ordinary General Assembly, in its session held on 10/04/2025, approved a cash dividend of EGP 1 per share, to be distributed in two installments, subject to the company's cash flow position

- The Ordinary General Assembly, in its session held on 10/04/2025, approved an increase in the company's issued capital from EGP 1.844 billion to EGP 2.268 billion through the distribution of 226.8 million bonus shares at a par value of EGP 2 per share, at a ratio of 1 share for every 4 shares held. The necessary procedures for registering the capital increase are currently underway

<b>Earnings per share:</b>		<u>31/3/2025</u>	<u>31/3/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
*	Net profit according to the income statement	586 715	559 473
**	<b>Less:</b>		
	Legal reserve , Employee's profit share and the board of directors	( 65 172)	( 59 197)
13/1	<b>Net</b>	<b>521 543</b>	<b>500 276</b>
	The weighted average for number of shares	<b>907 200</b>	<b>756 000</b>
	<b>Earnings per share</b>	<b>0.57</b>	<b>0.66</b>

14-	Other reserves		<u>31/3/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Capital reserve		5 417	5 417
	Investment reserve		1 525 000	1 525 000
	Regular reserve		975 000	975 000
	<b>Total</b>		<b>2 505 417</b>	<b>2 505 417</b>
15-	Provisions		<u>31/3/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Potential claims provision		250 000	250 000
	<b>Total</b>		<b>250 000</b>	<b>250 000</b>
15/1	Provisions		<u>31/3/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Beginning balance		250 000	250 000
	Used during the period		-	-
	Additions		-	-
	<b>Ending balance</b>		<b>250 000</b>	<b>250 000</b>
16-	Deferred tax		<u>31/3/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Beginning balance		211 942	196 382
	Deferred tax for the period		( 103 575)	15 561
	<b>Ending balance</b>		<b>108 367</b>	<b>211 943</b>
17-	Due to related parties	The period 2025 transactions by million	<u>31/3/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Egyptian Natural Gas Company (Gasco )	1499	945 391	1 599 844
	Egyptian Petrochemicals Holding Co	80	275 232	295 391
	Petrojet company	-	-	332
	Logistics Services Company for Petrochemicals		1 264	
	Egyptian Ethylene and derivatives company (ETHYDCO)	584	25 741	110 774
	Petromaint	121	19 488	-
	Petrotrade	25	7 011	
	<b>Total</b>		<b>1 274 127</b>	<b>2 006 352</b>
18-	Trade and notes payables		<u>31/3/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Trade receivables in advance		268 071	222 468
	Deposits from others		24 363	25 667
	Accrued expenses		202 892	360 395
	Social contribution for medical insurance		46 192	36 820
	Social insurance		4 075	25
	Dividend creditors		1 187 139	-
	Due to tax Authorities (other than general income tax )		539 585	175 443
	Medical System		28 829	27 445
	End-of-service benefits schemes		144 202	-
	Debtors- Scraps		1 883	24
	<b>Total</b>		<b>2 447 231</b>	<b>848 287</b>

19- Loans and bank credit facilities	<u>31/3/2025</u>	<u>31/3/2025</u>	<u>31/12/2024</u>	<u>31/12/2024</u>
Loans	<u>EGP000</u>	<u>USD000</u>	<u>EGP000</u>	<u>USD000</u>
National Bank long-term installments	624 400	12 364	627 862	12 264
National Bank long-term installments (CHP)	495 316	9 808	471 991	9 295
National Bank accrued loan installments during the year	378 750	7 500	507 800	10 000
National Bank of Kuwait Loan	115 934	2 296	-	-
National Bank of Kuwait Loan	55 981	-	-	-
Accrued deposit interests	25 070	496	28 411	559
<b>Total</b>	<b>1 695 451</b>	<b>32 464</b>	<b>1 636 064</b>	<b>32 118</b>

-The Company signed credit facility contracts in 19/10/2021 with National bank of Egypt in for five years ending 18/1/2027 for paying the current payables and the company received 50 million USD that will be paid on quarter bases 20 equally installments of 2.500 million USD except the last installment amounted 2.364 Million USD

The company has signed financial contract for 5.25 years with the National bank of Egypt to be ended 19/6/2028 in the light of industrial pollution control program on which the company has obtained 16,700 Million USD to be paid on quarter year installments with an amount of 1.12 Million USD per installment

The company provided the Bank with the guarantee that from the expiry date of the available period and allowing 6 months from the date of signing the financing, the obligation and pledge to transfer an export proceed covering 120% of the value of the quarterly obligations before the maturity date of the loan is made with the possibility of dealing with those receipts in the absence of benefits payable.

	<u>31/3/2025</u>	<u>31/3/2025</u>	<u>31/12/2024</u>	<u>31/12/2024</u>
Bank credit facilities	<u>EGP000</u>	<u>USD000</u>	<u>EGP000</u>	<u>USD000</u>
NBK credit facility USD	192 057	3 782	216 922	4 272
Ahli united bank credit facility USD	694 488	13 676	555 109	10 932
Export development Bank credit facility USD	72 346	1 424	152 470	3 002
NBK credit facility EGP	19 272	-	61 209	-
Export development Bank credit facility EGP	718 645	-	273 014	-
<b>Total</b>	<b>1 696 808</b>	<b>18 883</b>	<b>1 258 724</b>	<b>18 206</b>

-The Company signed credit facility contracts with National bank of Egypt for 5 renewed up to a maximum of 5 million USD or equivalent in Egyptian Pounds to pay current dues when needed.

-The company signed credit facility contracts with the Arab bank for six months renewed with maximum of 5 million USD or equivalent in Egyptian Pounds to pay current dues when needed.

-The company has signed credit facilities with AlAhli united bank for six months with up to 30 million USD to pay current dues when needed

-The company has signed credit facility with National bank of Kuwait for 1 year with up to 300 million EGP or equivalent by USD to pay current dues when needed

-Short term credit facility with Export development bank amounted 900 thousand USD for to pay current dues when needed guaranteed with a million USD deposit .

-Short term credit facility with Export development bank with up to 500 million EGP for to pay current dues when needed guaranteed with a billion EGP deposit .

20-	Revenue ;-	Quantity sold	31/3/2025	31/3/2024
			Million EGP	Million EGP
20/1	Sales (net)			
	Ethylene	7 129	359.292	384.162
	Poly -ethylene*	43 659	2,451.277	2,587.945
	Unprocessed petroleum gas	7 718	195.477	254.303
	Biotin	551	39.268	76.380
	Naphtha	347	4.208	16.177
	Ethan	17	1.752	13.860
	CO2	3 524	1.109	0.114
	LPG Unit Returns	1 622	25.614	13.719
	Net importer for sale	9 581	533.581	119.240
	<b>Total</b>		<b>3,611.578</b>	<b>3,465.901</b>
	Poly -ethylene*	Quantity sold	31/3/2025	31/3/2024
		Tons	Million EGP	Million EGP
	Local sales	17 884	1,060.258	1,478.246
	Export	25 662	1,387.349	1,108.142
	Waste production	113	3.671	1.557
	<b>Total</b>	<b>43 659</b>	<b>2,451.277</b>	<b>2,587.945</b>
20/2	Investment revenue		31/3/2025	31/3/2024
			Million EGP	Million EGP
	Right of use		8.682	3.962
	Investments in Athedico company		0.000	107.625
	<b>Total</b>		<b>8.682</b>	<b>111.587</b>
20/3	Other operating revenues		31/3/2025	31/3/2024
			Million EGP	Million EGP
	Revenue from scrape production		7.645	11.170
	<b>Total</b>		<b>7.645</b>	<b>11.170</b>
20/4	Other income		31/3/2025	31/3/2024
			Million EGP	Million EGP
	Other miscellaneous revenue		6.938	1.803
	Compensations		6.432	0.000
	Capital gain		0.200	0.000
	<b>Total</b>		<b>13.570</b>	<b>1.803</b>
20/5	Credit Interest		31/3/2025	31/3/2024
			Million EGP	Million EGP
	Interest from deposits treasury & investments documents		107.219	121.602
	<b>Total</b>		<b>107.219</b>	<b>121.602</b>
20/6	Foreign currency gain		31/3/2025	31/3/2024
			Million EGP	Million EGP
	Foreign currency gain		6.413	2.137
	<b>Total</b>		<b>6.413</b>	<b>2.137</b>

<b>21</b>	<b>Expenditures</b>		
<b>21/1</b>	<b>Cost of goods sold</b>	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Salaries & wages	363.115	421.065
	Raw materials & supplies	1,707.030	1,676.782
	Service requirements	316.096	551.732
	Depreciation	13.805	23.236
	Add - finished goods beginning balance	443.450	289.103
	Less - finished goods ending balance	(501.295)	(342.174)
	Cost of imported product for sale	472.995	72.047
	<b>Total</b>	<b><u>2,815.196</u></b>	<b><u>2,691.791</u></b>
<b>21/2</b>	<b>Marketing expenses</b>	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Salaries & wages	23.802	13.670
	Tools and equipment	0.007	0.005
	Service equipment	34.142	38.463
	<b>Total</b>	<b><u>57.952</u></b>	<b><u>52.139</u></b>
<b>21/3</b>	<b>General and administrative expenses</b>	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Salaries & wages	97.527	68.215
	Materials and supplies	1.660	0.852
	Service supplies	80.802	115.803
	Depreciation	7.111	6.247
	Board of directors meeting attendance allowances	0.006	0.017
	<b>Total</b>	<b><u>187.107</u></b>	<b><u>191.133</u></b>
<b>21/4</b>	<b>Provisions</b>	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Expected credit losses	8.753	23.460
	<b>Total</b>	<b><u>8.753</u></b>	<b><u>23.460</u></b>
<b>21/5</b>	<b>Other expenses</b>	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Donations and assistance to third parties	3.960	0.500
	Solidarity contribution	9.372	9.011
	<b>Total</b>	<b><u>13.332</u></b>	<b><u>9.511</u></b>
<b>21/6</b>	<b>Finance expenses</b>	<b><u>31/3/2025</u></b>	<b><u>31/3/2024</u></b>
		<b><u>Million EGP</u></b>	<b><u>Million EGP</u></b>
	Finance expenses	100.281	42.953
	<b>Total</b>	<b><u>100.281</u></b>	<b><u>42.953</u></b>

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

Translation From Originally Issued in Arabic

**Fifth- Other Explanatory Notes**

**Tax status**

The company is subject to the provisions of the Guarantees and Investment Incentives Law No. 8 of 1997 and its Executive Regulations (which has been replaced by Law No. 72 of 2017) and Law No. 159 of 1981 promulgating the Law of Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Single Person Companies, taking into account the provisions of Law No. 95 of 1992 issuing the Capital Market Law and its Executive Regulations. The company also follows the system of advance payments in accordance with Law 91 of 2005 and its amendments, noting that the company was exempt from corporate income tax until 2010 in accordance with the provisions of the Guarantees and Investment Incentives Law No. 8 of 1997 and its Executive Regulations.

**Corporate income tax**

The company is subject to the law no 91 for the year 2005 and its amendments with consideration of the law no 206 for year 2020 and The Unified Tax Procedures Law and its amendments as well as its Executive Regulations

**First: payroll tax**

**Commitment status:**

- The yearly income tax return submits in legal dates and the company regularly paid the tax up till 2023

**Inspection status:**

- The period till 2019 was inspected, and inspection differences were paid.
- The company has been inspected 2020 till 2022 and all variances are under settlement.

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

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**Second: Corporate income tax**

**Commitment status:**

- The company submits Tax return on its date on a regular basis and the company regularly pays the taxes till 2023.

**Inspection status :**

- Tax inspection has taken place till 2014 and all the variances have been paid
- Tax inspection has taken place for the years from 2015 till 2019 resulting tax differences, and the company appealed it, the internal committee discussed it, and documents were presented, but the committee has not issued the report up to date
- The company has not been notified for inspection from year 2020

**Third: Withholding tax- debit account**

**Commitment status :**

- The company is subject to the advance payments system from the date of its submission in 2011 in accordance with the requirements of the law. The company is committed to pay the estimated amounts during the year. The tax is settled with the tax return at the end of the tax period, and interest is calculated on those payments in accordance with the law.

**Inspection status :**

- The company has not received any claims from the Tax Authority to date.

**Fourth: Withholding tax-credit account**

**Commitment status :**

- The provided models are submitted on legal dates, and the company is regular in paying the amounts it deducts from the customers of the Tax Authority to date on a quarterly basis.

**Inspection status :**

- The company has not received any claims from the Tax Authority to date.

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

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**Stamp tax**

- The company is subject to stamp tax in according to the law no 111 for year 1980 and its amendments, with consideration of the law no 206 for year 2020 .

**Commitment status :**

- The company regularly submits tax reports on its due dates and regularly pays the tax up to date

**Inspection status :**

- The period from the beginning till 2014 was examined, and inspection differences were paid.
- The period from 2015 till 2018 was inspected, and the results were appealed, which to shift the dispute to the internal committee.
- The company has not been notified of the inspection for the years from 2019 till 2023.

**Value added tax:**

The company is a subject to law No.67 for year 2016 for value added tax and it's amendments taking in consideration law No. 206 for year 2020 and The Unified Tax Procedures Law and its amendments

**Commitment status :**

- The models are submitted on legal dates, and the company paid monthly tax.

**Inspection status :**

- 
- The period since operation till year 2017 was examined, and inspection differences were under settlement with tax authority.
- The years from 2018 till 2021 have been inspected .
- The years from 2022 till 2023 are under inspection .



**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

**Notes to the Financial Statements (Continued)**

**For the financial period ended March 31, 2025**

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**Real estate tax :**

The company is subject to law No. 196 for year 2008 for real estate no 206 for year 2020 and The Unified Tax Procedures Law and its amendments as well as its Executive Regulations **estate tax** with consideration of the law

**Commitment status:**

- The company submits and pay the tax return on legal dates, and the company paid all due tax till 2024 .

**Inspection status:**

- The company's headquarters was inspected and the rental value on which the tax on built real estate is calculated and the beginning of the application was determined from the first of July 2013, and the five-year estimate was re-estimated and the rental value was paid until 2022.

**Quality certificates**

- The company is keen to follow up and apply the latest systems in the transition to a clean and safe environment and to achieve the highest levels of safety and security. The company has obtained the following certificates:
- ISO (9001: 2015).
- Occupational Safety and Health Certificate (45001: 2018).
- Environmental Protection Certificate (14001: 2015).
- Energy Systems Management Certificate (50001: 2018)
- All of the company's products are certified for Food Approval Certificate.
- Non-Organoleptic Compound certificate.
- International accreditation certificate for laboratories certificate (17025: 2017).
- The company obtained a letter of compliance with ISO 26000 system in the field of social responsibility.

**Environmental and Social responsibility**

- The company has maintained the slogan of a clean and safe environment since its inception by continuously controlling environmental manifestations in order to preserve natural resources and prevent or reduce environmental risks by working in line with the following laws, legislation and instructions:
- Egyptian Environmental Law No. 4 of 1994 and Environmental Law No. 9 of 2009.

**Sidi Kerir Petrochemicals (Sidpec) “S.A.E”**

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- Industrial Exchange Law No. 48 of 1982.
- Minister of Petroleum Decision No. 673 of 1999 regarding the list of hazardous substances and waste within the petroleum sector.
- The company's occupational safety, health and environmental protection management system.
- Obtaining the environmental approval from the Environmental Affairs Agency for the Environmental Impact Assessment Study of Type (B) for the project of establish a sewage treatment plant in the company's administrative buildings.
- Maintaining the cleanliness of the environment, air measurement, and the safe disposal of hazardous and solid waste in the company by regularly delivering it to the hazardous waste landfill in Alexandria while improving the performance of the units, which reduced the quantities of waste generated, as well as the commitment to contracting with specialized companies to transport hazardous waste to the landfill.
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- **Social and sustainable responsibility**
- The company has adopted a clear policy towards commitment to social responsibility, taking into account the rules adopted by the United Nations (SDGS) in the field of sustainable development, where ten goals have been achieved out of the seventeen goals targeted by the system.
- The company believes in its social role in developing the surrounding environment and the importance of the humanitarian role, contributing since its establishment to develop the surrounding environment and near villages in many areas, including:
- Donating and making a permanent contribution in the field of health and medical treatment and purchasing medical devices and all medical supplies for public hospitals to help them confront the new Corona virus.
- Donate and contribute permanently to charitable civil society organizations in the region and the villages surrounding the company and provide their needs to raise the level of the region's infrastructure.
- Donate and contribute to universities, institutes and government schools surrounding the company to provide their needs to support the educational process.
- The company, within it's framework of its expansions and its continuous interest in the surrounding community environment, holds community consultation sessions for the people of the region and popular and executive movements to participate and reach the best ways and what benefits the development and service of the region within the framework of

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implementing the expansions. the company carries out its role within the limits decided by the company's general assembly.

- To confirm Sidpec's commitment to comply with Egypt's 2030 Strategy for sustainable development, the annual sustainability report was published during 2022, which included the company's various activities carried out in support of and in compliance with the ten principles of the United Nations Global Compact, as well as the seventeen goals of sustainable development.

- **Subsequent events**

- The Ordinary General Assembly, held on 10/3/2024, in light of its approval of the company's financial statements for the fiscal year 2022, agreed to distribute cash shares with a coupon value of 1.25/share in two installments, the first installment being during the month of May 2024 and with a value of 0.75 per share, and the second installment being during the month of September 2024 and with a value of 0.5 pounds per share. The disbursement was made through Misr for Clearing.
- The decision of the Ordinary and Extraordinary General Assembly was issued in their sessions held on 10/3/2024 and 8/29/2028, respectively, approving the increase of the company's issued capital from 1.1512 billion to 1.81440 billion by distributing 151,200 million free shares with a nominal value of 2 pounds per share, at a rate of 1 share for every 5 shares. All necessary procedures have been completed and the increase has been registered in the company's commercial register. The implementation was carried out through the Misr Clearing and Distribution Company on 10/10/2024 .
- Most of the world, including Egypt, have been exposed since the first quarter of 2022 to a state of economic slowdown at the global and local levels as a result of the repercussions of global conflicts, especially the Russian-Ukrainian war and the delay in supply chains, which appeared to affect all activities differently in Egypt
- As for the company, it has achieved a balance between following proactive measures to change its work cycle to meet operating and production requirements to maintain the continuity of the production process, so the company's operational capabilities and the operational capabilities of individuals were not affected.

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- As for the size and nature of the potential financial impacts of these risks on the items of the financial statements and the company’s activities during future periods, the management does not believe that it is currently possible to determine a quantitative estimate of the potential impact at this stage and in light of the lack of determination of the duration and effects of global conflicts, as the size of the impact varies according to the expected extent and time period in which these events and their impact are expected to end.
- The Board of Directors of the company approved during 2023 the fair value study report for the shares of both Sidpec and Ethidco, prepared by the independent financial advisor (Bakertelli Financial Consulting Company), for the purpose of Sidpec acquiring Ethidco shares using the share exchange mechanism. The Board also issued its initial approval for the exchange ratio and the proposal to increase the company’s issued and paid-up capital according to the following:
  - Increasing the company’s capital by a maximum of 876,905,118 shares and allocating those shares to the shareholders of Ethidco who responded to the exchange, without exercising the priority rights in the subscription for the old shareholders of Sidpec Company.
  - The Board of Directors approved the adoption of the disclosure form in accordance with Article No. 48 and authorized Mr. Engineer / Chairman of the Board of Directors and Managing Director to introduce any amendments that the General Authority for Financial Supervision deems appropriate to the disclosure form and to proceed with the procedures for calling an extraordinary general assembly to approve the increase in the company’s capital and amend Articles (6 and 7) and to authorize the Board of Directors to amend the company’s articles of association in accordance with the shares subject to exchange.
- The company’s board of directors agreed on 9/20/2023 to postpone the acquisition deal of SIDPEC of Ethidco until the completion of the procedures for studying one of the strategic investors to acquire a stake in the capital of Ethidco through the partial exit of some of the company’s shareholders.
- The company’s board of directors approved on 10/29/2023 the draft shareholders’ agreement for Ethidco Company, which will be signed with Alpha Oryx Limited, which acquired a 30% stake in Ethidco Company’s shares after obtaining the necessary legal approvals, fulfilling the preconditions, and authorizing the Chairman of the Board of Directors and the Managing Director to sign it.

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- The Prime Ministerial Resolution No. 1711 of 2024 was issued amending some provisions of the Egyptian Accounting Standards, and the company has taken it into consideration, as the currency differences resulting from translating the remaining balance of the obligations with which the assets were financed were recognized within the cost of assets, and the differences in the valuation of assets and liabilities of a monetary nature in foreign currencies were recognized within the items of comprehensive income.
- Prime Ministerial Resolution No. 3527 of 2024 was issued on 10/23/2024 amending some provisions of the Egyptian Accounting Standards by adding a new standard No. 51 “Financial Statements in Hyperinflationary Economies”
- This standard requires adjusting financial statements prepared in the currency of a hyperinflationary economy with the aim of providing useful information about the financial position of the entity, its performance and changes in its financial position to a wide range of users to make economic decisions based on a fair presentation of the financial statements.
- the decision shall be activated after a decision is issued by the Prime Minister or his delegate to determine the start and end date of the financial period or periods during which this standard must be applied when the currency of registration is the local currency, taking into account paragraphs (a), (b), and (c), which has not been issued to date.