



# شركة سيدى كرير للبتروكيماويات Sidi Kerir Petrochemicals Co.

Date : 24/2/2026

Attention: The Egyptian Exchange  
greeting,

Please find attached the financial statements and their disclosures for the period January - December 2025, along with the reports of the company's external auditor and the accountability State authority.

Furthermore, we would like to inform you that you will be provided with the proposed distribution amount to the shareholders once it is approved by the Board of Directors.

Kind regards.....



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

**Financial Statements**

**And Auditor’s Report**

**For the Financial Year Ended**

**December 31, 2025**

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

Translation from Originally Issued in Arabic

	<u>Note</u> <u>No.</u>	<u>12/31/2025</u> <u>EGP</u>	<u>31/12/2024</u> <u>EGP</u>
<b>Non-current assets</b>			
Fixed assets (Net)	4	1 377 804 149	1 319 935 066
Right of use assets	5	230 857	784 461
Projects under constructions	6	897 116 100	862 165 030
Real estate investments	7	97 512 429	13 396 214
Non-current investments	8	2 711 790 626	2 603 482 526
<b>Total non-current assets</b>		<b>5 084 454 161</b>	<b>4 799 763 297</b>
<b>Current Assets</b>			
Inventories (Net)	9	3 458 396 543	2 242 488 120
Trade and notes receivable	10	326 901 650	237 420 720
Due from related parties	11	894 016 029	1 980 332 142
Advance payments	12	50 133 526	25 282 301
Other debit balances	13	1 657 914 957	1 108 649 074
Current investments	14	185 565 012	455 684 491
Cash at banks and time deposits	15	2 696 930 971	3 264 653 813
<b>Total Current Assets</b>		<b>9 269 858 688</b>	<b>9 314 510 661</b>
<b>Total Assets</b>		<b>14 354 312 849</b>	<b>14 114 273 958</b>
<b>Equity</b>			
Issued and paid-up capital	16	2 268 000 000	1 814 400 000
Legal reserve		907 200 000	756 000 000
Other reserves	17	2 505 417 256	2 230 417 256
Foreign currency translation (losses)		-	(451 641 883)
Retained earnings		172 414 363	223 658 962
Net profits for the year		1 138 395 309	2 539 389 559
<b>Total equity</b>		<b>6 991 426 928</b>	<b>7 112 223 894</b>
<b>Non Current Liabilities</b>			
Loans	22	288 980 401	1 099 853 351
Finance lease liabilities		49 384	422 001
Long term provision	18	250 000 000	250 000 000
Deferred tax liabilities	19	183 445 175	211 943 640
<b>Total Non Current Liabilities</b>		<b>722 474 960</b>	<b>1 562 218 992</b>
<b>Current Liabilities</b>			
Loans	22	1 133 779 134	536 211 467
Bank credit facilities	22	1 796 589 147	1 258 723 755
Finance lease liabilities		372 617	612 491
Trade payables		88 127 000	129 419 209
Due to related parties	20	1 988 784 280	2 006 352 774
Other credit balances	21	1 357 733 915	848 287 494
Income tax		275 024 868	660 223 882
<b>Total Current Liabilities</b>		<b>6 640 410 961</b>	<b>5 439 831 072</b>
<b>Total equity and liabilities</b>		<b>14 354 312 849</b>	<b>14 114 273 958</b>

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

Accountant/ Mohamed Fathy Amer

Accountant / Mohamed Adly Elbarbary

Chemist / Mohamed Zakria El Afndy

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 year ended 31 December 2025**

**Translation from Originally Issued in Arabic**

	<u>Note</u>	<u>from 1/1/2025</u> <u>to 31/12/2025</u>	<u>from 1/1/2024</u> <u>to 31/12/2024</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Sales from company's operations		12 805 414 241	12 480 929 449
Sales of commercial units		1 607 172 773	1 671 679 976
<b>Net sales</b>	<b>(23-1)</b>	<b>14 412 587 014</b>	<b>14 152 609 425</b>
<b>Less:</b>			
Cost of sales from company's operations		10 762 223 276	9 344 088 525
Cost of sales of commercial units		1 563 411 883	1 417 566 451
<b>Net cost of sales</b>	<b>(24-1)</b>	<b>12 325 635 159</b>	<b>10 761 654 976</b>
<b>Gross Profit</b>		<b>2 086 951 855</b>	<b>3 390 954 449</b>
<b>Less:</b>			
Marketing expenses	(24-2)	194 487 910	151 547 931
General and administrative expenses	(24-3)	664 642 468	552 539 433
Provisions	(24-4)	17 684 701	61 605 174
Other expenses	(24-5)	254 559 788	48 040 079
Finance expenses and interest	(24-6)	374 823 610	283 885 234
Total		<b>1 506 198 477</b>	<b>1 097 617 851</b>
<b>Add:</b>			
Investment income	(23-2)	211 623 018	360 919 254
Other operating income	(23-3)	37 561 852	43 587 303
Other income	(34-4)	21 746 476	6 723 512
Credit interests	(23-5)	463 499 421	508 915 843
Foreign exchange differences	(23-6)	69 737 568	1 692 388
<b>Operating income</b>		<b>804 168 335</b>	<b>921 838 299</b>
<b>Net profit before tax</b>		<b>1 384 921 713</b>	<b>3 215 174 897</b>
Income tax		275 024 868	660 223 882
Deferred tax		(28 498 466)	15 561 457
<b>Net Profit After Taxes</b>		<b>1 138 395 311</b>	<b>2 539 389 557</b>
<b>Earnings Per Share</b>		<b>0.88</b>	<b>2.86</b>

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

Accountant/ Mohamed Fathy Amer

Accountant / Mohamed Adly Elbarbary

Chemist / Mohamed Zakria  
El Afndy

General Director of Financial Control

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

Chairman of the Board and  
Managing Director

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

**Translation from Originally Issued in Arabic**

	<u>from 1/1/2025</u>	<u>from 1/1/2024</u>
	<u>to 31/12/2025</u>	<u>to 31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
Net profit for the period after tax	1 138 395	2 539 390
<b>Other comprehensive income</b>		
Foreign currency translation (losses)	-	( 451 642)
<b>Total Comprehensive Income for the period</b>	<u><u>1 138 395</u></u>	<u><u>2 087 748</u></u>

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

**Sidi Kerir Petrochemicals (Sidpec) "S.A.E"****Statement of cash flows****For the financial year ended 31 December 2025**

Translation From Originally Issued in Arabic

	<u>12/31/2025</u>	<u>12/31/2024</u>
	<u>EGP</u>	<u>EGP</u>
<b>Cash flows from operating activities</b>		
Net profit before tax and extraordinary items	1 384 921 712	3 215 174 899
<b>Adjustments to reconcile net profit to cash flow From operating activities</b>		
Depreciation	79 873 982	67 052 522
Provisions	17 684 701	39 012 060
Credit interests	( 463 499 421)	( 508 915 844)
Investment income	( 211 623 018)	( 360 919 255)
Gain (losses) due to assets disposal	( 2 309 671)	-
Debit interests	374 823 610	283 885 234
Foreign currency (losses)/ gain	( 69 737 568)	( 1 692 388)
<b>Operating profit before changes in working capital</b>	<b>1 110 134 327</b>	<b>2 733 597 228</b>
Changes in trade, notes receivables and other receivables	643 216 067	( 481 838 611)
Changes in inventories	(1 215 908 423)	( 906 146 758)
Changes in trade and notes payable	395 019 549	907 681 632
<b>Cash flow from operating activities before extraordinary items</b>	<b>932 461 520</b>	<b>2 253 293 491</b>
Proceeds from credit interests	502 001 412	456 409 819
Payments for debit interests	( 392 546 547)	( 273 049 329)
Payments of income tax	( 759 362 250)	( 310 177 411)
<b>Net cash (used in) operating activities</b>	<b>282 554 135</b>	<b>2 126 476 570</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of fixed assets	( 455 262 444)	( 566 675 450)
Proceeds from fixed assets	1 563 244	-
Investment income received	211 623 018	360 919 255
Current investments	270 119 479	2 265 288 792
Non-current investments	( 108 308 100)	( 389 644 257)
<b>Net cash (used in) investing activities</b>	<b>( 80 264 803)</b>	<b>1 669 888 340</b>
<b>Cash flows from financing activities</b>		
Dividends payable	(1 187 138 955)	(1 203 863 021)
Loans	( 109 156 104)	( 120 625 314)
Finance lease liabilities	( 612 491)	( 984 468)
Current bank credit facilities	614 335 618	122 725 956
<b>Cash flows (used in) financing activities</b>	<b>( 682 571 932)</b>	<b>(1 202 746 847)</b>
<b>Cash flows from all activities</b>	<b>( 480 282 600)</b>	<b>2 593 618 063</b>
Foreign exchange gains/losses	( 96 356 921)	412 740 190
Expected credit losses for cash and equivalents	8 916 679	( 17 092 281)
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>( 567 722 842)</b>	<b>2 989 265 972</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3 264 653 813</b>	<b>275 387 841</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2 696 930 971</b>	<b>3 264 653 813</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 year ended 31 December 2025**

Translation from Originally Issued in Arabic

	Capital	Legal reserve	Other reserves	Advance payment for capital increase	Retained Earnings	Net Profit for The year	Foreign exchange losses	Total
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
<b>Balance as at December 31, 2023</b>	<b>1 512 000</b>	<b>630 000</b>	<b>1 530 350</b>	-	<b>118 999</b>	<b>2 458 697</b>	-	<b>6 250 046</b>
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>	<b>1 814 400</b>	<b>756 000</b>	<b>2 230 417</b>	-	<b>223 659</b>	<b>2 539 390</b>	<b>( 451 642)</b>	<b>7 112 224</b>
<b>Balance as at December 31, 2024</b>	<b>1 814 400</b>	<b>756 000</b>	<b>2 230 417</b>	-	<b>223 659</b>	<b>2 539 390</b>	<b>( 451 642)</b>	<b>7 112 224</b>
Foreign exchange losses (comprehensive income) 2025	-	-	-	-	-	( 451 642)	451 642	-
Applying EAS no. (5)	-	-	-	-	( 72 053)	-	-	( 72 053)
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 year ended December 31, 2025	-	-	-	-	-	1 138 395	-	1 138 395
<b>Balance as at December 31, 2025</b>	<b>2 268 000</b>	<b>907 200</b>	<b>2 505 417</b>	-	<b>172 415</b>	<b>1 138 395</b>	-	<b>6 991 427</b>

**1-First- Background:**

**1-1 Legal Entity**

- 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 on the issuance of the law on Joint-Stock Companies, Limited Partnerships, Limited Liability Companies, and Sole Proprietorship Companies, and in compliance with the provisions to law no. (95) of 1992 on the Capital Market Law and its executive regulations.
- **Registration in the Commercial Registry**  
Commercial Registry under no. 145404 on November 18, 1997- Alexandria Investment
- **Capital structure:**
  - Authorized capital: EGP 5100 billion.
  - Issued and paid-up capital: EGP 2.268 billion.
  - The company’s issued shares are registered as central depository amounted to 1134 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.

**1-2 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.
- **1-3 Duration of the company:**
    - The duration of the company is twenty-five (25) years starting from the date of its registration in the Commercial Register.
    - The duration of the company has been extended until 17/11/2047 and was registered in the commercial register on 17/5/2022.

- **1-4 Head office:**
  - El-Nahda Street Km 36 Alexandria/Cairo Desert Road near El-Amerya Alexandria, Government Egypt.
- **1-5 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.

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

### **2-1 Statement of compliance**

- The financial statements are prepared in accordance with Egyptian Accounting Standards and the relevant Egyptian laws and regulation.
- The financial statements were prepared by the company’s financial management and reviewed by the Audit Committee for presentation to the Board of Directors, which approved their results on 17/02/2026.
- 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. non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate prevailing on the transaction data
- 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.

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

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

**For the financial year ended December, 31 2025**

Translation From Originally Issued in Arabic

#### **2-2 Basis of measurement**

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

#### **2-3 Functional and presentation currency**

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

#### **2-4 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

#### **2-5 Statement of cash flow**

- The cash flow statement is prepared using the indirect method. For the purposes of the statement, cash and cash equivalents comprise cash on hand, bank current accounts, term deposits, and bank overdraft balances that are not included within the company’s borrowing arrangements

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

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

**For the financial year ended December 31, 2025**

Translation from Originally Issued in Arabic

**2-6 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.

**3-Third: Significant accounting policies**

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

**3-1 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 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.

**3-2 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.

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

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

**For the financial year ended December 31, 2025**

Translation from Originally Issued in Arabic

**3-3 Property, plant and equipment**

**A-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 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.

**B-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.

**C-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.

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

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

**For the financial year ended December 31, 2025**

Translation from Originally Issued in Arabic

- 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	2%	50 years
Machinery and equipment	5%	35 years
Transportation and vehicles	20%	5 years
Tool	10%	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.

**D-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.

**3-4 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.
- The cost to obtain loan facilities are recognized as transaction costs related to the loans until a portion or the total amount of the facility is utilized. In such cases, the amortization of these fees is deferred until the facility is drawn down. If it is not certain that any portion of the total facility will be utilized, the fees are capitalized and classified as prepaid facility service charges, which are amortized over the period of the related facility.
- 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

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

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

#### **For the financial year ended December 31, 2025**

Translation from Originally Issued in Arabic

#### **3-5 Right of use assets**

##### **A-Recognition and initial measurement:**

- The Company recognises a right of use asset at the lease commencement date.
- Asset is measured at cost, which comprises the present value of lease payments that are not paid at that date.

Lease payments are discounted using the interest rate implicit in the lease; if that rate cannot be readily determined, the lessee’s incremental borrowing rate is used instead, The cost also includes any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred, and the estimated costs of dismantling and removing the underlying asset, as well as restoring the site on which the asset is located or restoring the asset itself to the condition required under the terms and conditions of the lease agreement.

##### **B-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.

##### **C-Amortization**

- The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. (EAS no.10 )The right of use asset is amortized 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.

#### **3-6 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 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.

#### **3-7 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.

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

### Notes to the Financial Statements (Continued)

#### For the financial year ended December 31, 2025

Translation from Originally Issued in Arabic

- 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).

#### 3-8 Long term investments

- Long-term investments are recorded at cost as of the date of loss of significant influence. In the event that the recoverable amount of any such investment falls below its carrying amount, the carrying value of that investment is adjusted to reflect the impairment loss, and the amount of the impairment is charged to the income statement for each investment separately.
- An investor (the company) loses its significant influence over the investee when it no longer has the ability to participate in making decisions related to the financial and operating policies of that investee.
- The loss of significant influence may occur regardless of whether there is a change in the absolute or relative ownership levels. For example, this may happen when the associate becomes subject to government control, judicial administration, an appointed administrator, or a regulatory authority. It may also occur as a result of a contractual arrangement.

#### 3-9 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.

#### 3-10 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 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.
- **A-Raw material and spare parts:**
  - Cost is determined in accordance with the weighted average cost method.
- **B-Finished goods:**
  - Determined at the lower of manufacturing overhead cost or net realizable value.
  - Manufacturing costs are determined based on (direct materials, direct labor, and both direct and indirect manufacturing overheads.)

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

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

**For the financial year ended December 31, 2025**

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**C-Merchandise inventory:**

- Inventory is valued at purchase cost, including all costs incurred to bring the inventory to its present location and condition ready for sale
- Inventory is stated at the lower of weighted average cost and net realizable value

**3-11 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.

**3-12 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.

**3-13 Financial instruments**

**A-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.

**B-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

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

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

**For the financial year ended December 31, 2025**

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that one or more events have had a negative impact on future cash flows from the use of this asset.

- 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.

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

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

**For the financial year ended December 31, 2025**

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**3-14 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
- 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.

**B-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

**3-15 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.

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

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

#### **For the financial year ended December 31, 2025**

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#### **Foreign currency risk:**

- Foreign currency risk arises from fluctuations in exchange rates that affect payments and receipts conducted in a currency other than the company’s functional currency.
- With regard to other financial assets and liabilities denominated in foreign currencies, their net exposure to such risks is maintained at an acceptable level by buying or selling foreign currencies at prevailing rates at a given time, when necessary, to address any short-term imbalances.

#### **Interest rate risk:**

- Foreign currency risk arises from fluctuations in exchange rates that affect payments and receipts conducted in a currency other than the company’s functional currency.
- With regard to other financial assets and liabilities denominated in foreign currencies, their net exposure to such risks is maintained at an acceptable level by buying or selling foreign currencies at prevailing rates at a given time, when necessary, to address any short-term imbalances.

#### **3-16 Cash and equivalents**

- Cash and cash equivalents include cash balances held in banks and on hand, demand deposits, and bank overdrafts that are repayable on demand and form an integral part of the company’s cash management system. They also include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value

#### **3-17 Capital management**

- The company’s capital management aims to maintain the company’s ability to continue as a going concern, in order to provide returns to shareholders and benefits to other stakeholders who rely on the financial statements. It also seeks to maintain an optimal capital structure with the objective of minimizing the cost of capital.
- To maintain an optimal capital structure, the company undertakes measures such as increasing capital or reducing the company’s outstanding debt.
- The company monitors its capital structure using the net debt to total financing ratio. Net debt comprises total borrowings, trade payables, and promissory notes, less cash and cash equivalents. Total financing is represented by the company’s total equity, as presented in the statement of financial position, plus net debt.

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

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

**For the financial year ended December 31, 2025**

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**3-18 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 undistributable; 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 to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital, the legal reserve is non-distributable.

**3-19 Lease contract obligation**

**A-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.
- 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.

**B-Subsequent measurement of the lease obligation**

- After the commencement date of the lease, the lease liability is measured by increasing or decreasing its carrying amount to reflect interest, lease payments, and any Re-measurement or modification of the lease. Interest expenses related to the lease liability and variable lease payments not included in the initial measurement of the lease liability are recognized in the income statement during the period in which the event or condition that triggers those payments occurs.
- The lease liability is Re-measured by discounting the revised lease payments using a revised discount rate.  
If there is a change in the lease term, the revised lease payments are determined based on the modified lease term.

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

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

**For the financial year ended December 31, 2025**

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- the lease liability is Re-measurement if there is a change in the assessment of the purchase option for the underlying asset. The lease payments are adjusted to reflect the change in the amounts payable under the purchase option

**3-20 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**

**A-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.

**B-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 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

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

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

#### **For the financial year ended December 31, 2025**

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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.

#### **3-22 Trade and other payables**

- Trade payables are recognized at their nominal value, and liabilities (payables) are recognized at the amounts to be paid in the future in exchange for the goods and services received.

#### **3-23 Revenue from contracts with customers**

In accordance with Egyptian Accounting Standard (EAS) No. 48 – “Revenue from Contracts with Customers”,

Revenue is measured based on the consideration specified in the contract with the customer, net of any discounts, commissions, or taxes, if applicable. The Company recognizes revenue from contracts with customers in accordance with the five-step model set out in

**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**

- 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.

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

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

#### **For the financial year ended December 31, 2025**

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- 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 .
- The determination of the timing at which the Company has transferred the significant risks and rewards of ownership varies depending on the terms of the sale agreement

#### **3-24 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.

#### **3-25 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.

#### **3-26 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.

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

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

#### **For the financial year ended December 31, 2025**

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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. the company is not obligated to settle any liabilities other than the contribution amounts mentioned above.

#### **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.

#### **3-27 Shares profitability**

- Earnings per share (EPS) is calculated by dividing the company's net profit by the weighted average number of outstanding shares at the balance sheet date, after deducting taxes, employees' share of profits, and the board of directors' remuneration, in accordance with the resolution of the most recent general assembly.

#### **3-28 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 ,The employees' profit share is recognized as a dividend distribution in the statement of changes in equity, and as a liability in the financial year in which such profits are approved.

Translation from Originally Issued in Arabic

1 Fixed Assets

Year 2025

	Land*	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Computers	Tools & Supplies	Total	Right of use assets
<b>Cost:</b>									
<b>Cost as at January 1, 2025</b>	272 669 885	329 113 869	2 754 019 166	29 283 568	79 991 395	121 398 475	62 371 544	3 648 847 902	4 432 671
Additions during the year	-	61 182 550	40 950 145	13 074 614	25 457 058	83 252 430	190 655	224 107 452	
Disposals during the year	(84 116 215)	-	-	(1 103 550)		(73 707)		(85 293 472)	
Account adjustments for the year	-	-	-	2 499 996	-		-	2 499 996	(2 499 996)
<b>Balance at 31 December 2025</b>	<b>188 553 670</b>	<b>390 296 419</b>	<b>2 794 969 311</b>	<b>43 754 628</b>	<b>105 448 453</b>	<b>204 577 198</b>	<b>62 562 199</b>	<b>3 790 161 878</b>	<b>1 932 675</b>
<b>Accumulated Depreciation as at January 1, 2025</b>	-	242 364 081	1 925 693 405	11 814 275	29 397 026	64 408 921	55 235 126	2 328 912 834	3 648 211
Depreciation for the year	-	4 881 150	24 491 045	5 081 137	10 589 077	32 911 762	1 366 207	79 320 378	553 603
Disposals during the year	-	-	-	(1 103 550)	-	(73 707)	-	(1 177 257)	-
Account adjustments for the year	-	-	-	2 499 996	(1 687)	2 803 463	-	5 301 772	(2 499 996)
<b>Accumulated Depreciation at 31 December 2025</b>	-	<b>247 245 231</b>	<b>1 950 184 450</b>	<b>18 291 858</b>	<b>39 984 416</b>	<b>100 050 439</b>	<b>56 601 333</b>	<b>2 412 357 727</b>	<b>1 701 818</b>
<b>Net Book Value at 31 December 2025</b>	<b>188 553 670</b>	<b>143 051 188</b>	<b>844 784 861</b>	<b>25 462 770</b>	<b>65 464 037</b>	<b>104 526 759</b>	<b>5 960 866</b>	<b>1 377 804 151</b>	<b>230 857</b>
<b>Net Book Value at 31 December 2024</b>	<b>272 669 885</b>	<b>86 749 788</b>	<b>828 325 761</b>	<b>17 469 293</b>	<b>50 594 369</b>	<b>56 989 554</b>	<b>7 136 418</b>	<b>1 319 935 068</b>	<b>784 460</b>

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.

Production assets are fully depreciated with a retention value of one pound for assets still in operation.

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

1 Fixed Assets

Year 2024

	Land*	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Computers	Tools & Supplies	Total	Right of use assets
<b>Cost:</b>									
<b>Cost as at January 1, 2024</b>	272 669 885	307 444 834	2 684 091 067	10 879 809	38 015 169	68 080 175	61 196 749	3 442 377 688	4 432 671
Additions during the year	-	21 669 034	69 928 099	18 403 760	42 195 831	53 318 300	1 174 795	206 689 819	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Account adjustments for the year	-	-	-	-	(219 605)	-	-	(219 605)	-
<b>Balance at 31 December 2024</b>	<b>272 669 885</b>	<b>329 113 868</b>	<b>2 754 019 166</b>	<b>29 283 569</b>	<b>79 991 395</b>	<b>121 398 475</b>	<b>62 371 544</b>	<b>3 648 847 902</b>	<b>4 432 671</b>
<b>Accumulated Depreciation as at January 1, 2024</b>	-	239 333 998	1 882 284 400	9 739 625	20 074 015	57 488 603	53 826 203	2 262 746 844	2 761 677
Depreciation for the year	-	3 030 082	43 409 005	2 074 650	9 323 011	6 920 318	1 408 921	66 165 987	886 534
Disposals during the year	-	-	-	-	-	-	-	-	-
Account adjustments for the year	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation at 31 December 2024</b>	-	<b>242 364 080</b>	<b>1 925 693 405</b>	<b>11 814 275</b>	<b>29 397 026</b>	<b>64 408 921</b>	<b>55 235 124</b>	<b>2 328 912 831</b>	<b>3 648 211</b>
<b>Net Book Value at 31 December 2024</b>	<b>272 669 885</b>	<b>86 749 788</b>	<b>828 325 761</b>	<b>17 469 294</b>	<b>50 594 369</b>	<b>56 989 554</b>	<b>7 136 420</b>	<b>1 319 935 071</b>	<b>784 460</b>
<b>Net Book Value at 31 December 2023</b>	<b>272 669 885</b>	<b>68 110 836</b>	<b>801 806 667</b>	<b>1 140 184</b>	<b>17 941 154</b>	<b>10 591 572</b>	<b>7 370 546</b>	<b>1 179 630 844</b>	<b>1 670 994</b>

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.

Production assets are fully depreciated with a retention value of one pound for assets still in operation.

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

<b>5- Right of use assets</b>	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
<b>Vehicles</b>		
<b>Cost at the beginning of the year</b>	4 433	4 433
Disposals during the year	( 2 500)	-
<b>Cost as at December,31 2025</b>	<u>1 933</u>	<u>4 433</u>
<b><u>Accumulated amortization</u></b>		
Accumulated amortization, beginning balance	3 648	2 762
Accumulated amortization adjustments	( 2 500)	-
Add: amortization during the year	554	886
<b>Net book value at December,31 2025</b>	<u>1 701</u>	<u>3 648</u>
<b>Right of use assets (Net)</b>	<u>232</u>	<u>785</u>
The financial impact of applying EAS related to finance lease no. (49) Lease contracts		
Right of use assets recognized on statements of income for the period ending December,31 2025		
Amortization for the period	554	886
Interest of financial lease	266	449
<b>Total</b>	<u>820</u>	<u>1 335</u>
<b>6- Projects under construction</b>	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
Propylene project and utilities	281 553	281 553
Resources management system (Orkal ERP)	4 566	5 752
Steam energy generation Project	801 352	477 059
Development of administrative buildings	34 671	24 915
Developing the cybersecurity system	-	30 096
Gas reduction and metering station	27 360	27 360
Camera systems for factories and buildings	29 167	15 430
<b>Total</b>	<u>1 178 669</u>	<u>862 165</u>
<b>less</b>		
Impairment of assets (Propylene Project and Utilities)	( 281 553)	-
<b>Net</b>	<u>897 116</u>	<u>862 165</u>
<b>7- Property investments</b>		
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		
	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
The value of lands allocated for right of use ( cost) Ethedco	13 396	13 396
The value of lands allocated for right of use ( cost) Draschem	84 116	-
<b>Total</b>	<u>97 512</u>	<u>13 396</u>

8- Long-term investment	Percentage of shares	12/31/2025	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%	1 333 386	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	22.5%	41 029	45 686
<b>less:</b>			
Provision for Investment risk		( 57 310)	( 57 310)
<b>Total</b>		<b>2 711 791</b>	<b>2 603 483</b>
<p>* 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.</p>			
<p>* 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 which has been fully paid. the remaining portion of the capital will be paid in accordance with the capital call schedule and according to the related implementation and the approved financial model.</p>			
<p>* 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</p>			
<p>* 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</p>			
9- Inventories		12/31/2025	31/12/2024
		EGP000	EGP000
Chemicals and packaging materials		298 270	307 374
Spare parts inventory and auxiliary materials		1 154 902	803 917
Raw materials & equipment inventory		129 398	79 141
Available for sale inventory		1 415 695	608 605
Finished goods inventory		460 132	443 451
<b>Total</b>		<b>3 458 397</b>	<b>2 242 488</b>

		<u>12/31/2025</u>	<u>31/12/2024</u>		
		<u>EGP000</u>	<u>EGP000</u>		
<b>10- Trade and notes receivable</b>					
	Polyethylene trade receivables	324 223	237 885		
	Ethalin trade receivables	3 894	2 385		
	<b>Total</b>	<b>328 117</b>	<b>240 270</b>		
	Less :				
	Expected credit loss	( 1 216)	( 2 849)		
	<b>Net</b>	<b>326 901</b>	<b>237 421</b>		
<b>11- Due from related parties</b>	<b>The year 2025 transactions by million</b>	<b>12/31/2025 EGP000</b>	<b>31/12/2024 EGP000</b>		
	Egyptian General Petroleum Corporation (EGPC)	1645	Selling naphtha ethylene products	214 594	1 232 959
	The Egyptian Holding Company for Petrochemicals	35	Technical assistance and product distribution	32 652	105 366
	Styrenks Company	-	Technical services	116 811	130 564
	The Egyptian Ethylene and Derivatives Company (ETHYDCO)	407	Usufruct, supply and sale of raw materials	80 931	-
	Alexandria Petroleum Maintenance CO.(Petromaint)	-	Technical services	6 295	-
	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	523 220	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>974 503</b>	<b>2 032 702</b>
	Less:				
	Expected credit losses			( 80 487)	( 52 370)
	<b>Net</b>			<b>894 016</b>	<b>1 980 332</b>
<b>12 Advance payments</b>		<b>12/31/2025</b>	<b>31/12/2024</b>		
		<b>EGP000</b>	<b>EGP000</b>		
	UOP Company	8 797	8 797		
	Paralloy limited	-	14 773		
	Future house	-	1 518		
	ABB Industrial system and Power	195	195		
	Consukorra For Trade Agencies & Tech Consultations	41 142	-		
	<b>Total</b>	<b>50 134</b>	<b>25 283</b>		

<b>13 Other debit balances</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
Value added tax refundable		498 852	289 052
Accrual deposit interests		15 330	53 832
Advanced payments for suppliers and constructors		190 490	83 719
Employees loans		180 985	139 610
Income tax prepayments		724 212	445 711
Prepaid expenses		32 765	69 040
Sales tax "Vat" from Customs Department		14 907	24 194
Pension systems		-	3 000
Deposit with others		563	563
<b>Total</b>		<b><u>1 658 104</u></b>	<b><u>1 108 721</u></b>
<b>Less:</b>			
Expected credit losses		( 188)	( 72)
<b>Net</b>		<b><u>1 657 916</u></b>	<b><u>1 108 649</u></b>
<b>14 Current investments</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
Investment Certificates	<b>14/1</b>	185 565	253 398
Treasury bills	<b>14/2</b>	-	202 286
Total		<b><u>185 565</u></b>	<b><u>455 684</u></b>
<b>14/1 Financial investments through profit and losses</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
Investment Certificates		185 565	253 398
Total		<b><u>185 565</u></b>	<b><u>253 398</u></b>
<b>14/2 Treasury bills at amortized cost</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
Treasury bills		-	212 650
Less :			
Unrealized gain		-	( 10 364)
Total		<b><u>-</u></b>	<b><u>202 286</u></b>
<b>15 Cash at banks and time deposits</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
		<u>EGP000</u>	<u>EGP000</u>
Time deposits	15/2	2 306 590	3 006 066
Cash at banks	15/1	401 369	278 017
Governmental payment system		25	540
<b>Total</b>		<b><u>2 707 984</u></b>	<b><u>3 284 623</u></b>
<b>Less:</b>			
Expected credit losses		( 11 053)	( 19 970)
<b>Total</b>		<b><u>2 696 931</u></b>	<b><u>3 264 653</u></b>

15/1	Cash at banks	12/31/2025	31/12/2024
		EGP000	EGP000
	Current Account – EGP	345 068	252 608
	Current Account – USD	56 301	25 409
	<b>Total</b>	<b>401 369</b>	<b>278 017</b>

  

15/2	Time deposits	12/31/2025	31/12/2024
		EGP000	EGP000
	Time deposits– EGP	1 216 120	873 150
	Time deposits – USD	1 090 470	2 132 916
	<b>Total</b>	<b>2 306 590</b>	<b>3 006 066</b>

\* Balances in foreign currencies were revalued at the balance sheet date based on the exchange rate of EGP 47.65/ 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

16	Issued and paid-up capital	No. of shares	Issued and paid-up capital	Shares
			Percentage	Percentage
	Egyptian holding company for petrochemicals	226 800 000	453 600 000	20%
	The insurance fund for government worker	235 326 317	470 652 636	21%
	The insurance fund for private and public sector workers	138 841 132	277 682 264	12%
	The Egyptian Petrochemical company	78 507 694	157 015 388	7%
	The National Investment Bank	78 507 694	157 015 388	7%
	El-Ahly Capital	78 507 694	157 015 388	7%
	Misr Insurance company	21 033 512	42 067 026	2%
	Naser bank	15 120 000	30 240 000	1%
	Other shareholders	261 355 955	522 711 910	23%
	<b>Total</b>	<b>1 134 000 000</b>	<b>2 268 000 000</b>	<b>100%</b>

- The authorized capital amounted to 5.100 billion EGP and the issued and paid-up capital is 2.268 billion EGP distributed over the number of 1134 million 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 the first installment of the cash dividends has been disbursed through Misr for Central Clearing, Depository and Registry (MCDR).

Earnings per share:	12/31/2025	9/30/2024
	EGP000	EGP000
* Net profit according to the income statement	1 138 395	2 539 390
** Less:		
Legal reserve , Employee's profit share and the board of directors	( 137 530)	( 266 939)
<b>Net</b>	<b>1 000 865</b>	<b>2 272 451</b>
The weighted average for number of shares	<b>1 134 000</b>	<b>793 800</b>
<b>Earnings per share</b>	<b>0.88</b>	<b>2.86</b>

<b>17</b>	<b>Other reserves</b>		<u>12/31/2025</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	700 000
	<b>Total</b>		<b><u>2 505 417</u></b>	<b><u>2 230 417</u></b>
<b>18</b>	<b>Provisions</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Potential claims provision		250 000	250 000
	<b>Total</b>		<b><u>250 000</u></b>	<b><u>250 000</u></b>
<b>18/1</b>	<b>Provisions</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Beginning balance 1/1/2025		250 000	246 000
	Used during the period		-	( 22 593)
	Additions		-	26 593
	<b>Ending balance 31/12/2025</b>		<b><u>250 000</u></b>	<b><u>250 000</u></b>
*	The company did not disclose the usual information related to provisions in accordance with Egyptian Accounting Standard No. 28, as management believes that such disclosure would affect the outcome of dealings with other parties			
<b>19</b>	<b>Deferred tax</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Beginning balance		211 943	196 382
	Deferred tax for the year		( 28 498)	15 561
	<b>Ending balance</b>		<b><u>183 445</u></b>	<b><u>211 943</u></b>
<b>20</b>	<b>Due to related parties</b>	<b>The period 2025 transactions by million</b>	<b>Kind of transactions</b>	<u>12/31/2025</u>
				<u>31/12/2024</u>
				<u>EGP000</u>
	Egyptian Natural Gas Company (Gasco )	6066	Raw material supply	1 857 075
	Egyptian Petrochemicals Holding Co	439	supplies	31 209
	Petrotrade	567	supplies	100 501
	Petrojet company	-	services	-
	Egyptian Ethylene and derivatives company (ETHYDCO)	0	Usufruct, supply and sale of raw materials	-
	Others			11
	<b>Total</b>			<b><u>1 988 785</u></b>
				<b><u>2 006 352</u></b>
<b>21</b>	<b>Other credit balances</b>		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
	Trade receivables in advance		228 440	222 468
	Deposits from others		133 481	25 667
	Accrued expenses		605 963	360 395
	Social contribution for medical insurance		37 452	36 820
	Social insurance		-	25
	Dividend creditors		-	-
	Due to tax Authorities (other than general income tax )		174 563	175 443
	Medical System		33 633	27 445
	End-of-service benefits schemes		144 120	-
	Debtors- Scraps		82	24
	<b>Total</b>		<b><u>1 357 734</u></b>	<b><u>848 287</u></b>

22	Loans and bank credit facilities	12/31/2025	12/31/2025	31/12/2024	31/12/2024
		EGP000	USD000	EGP000	USD000
	National Bank of Egypt long-term installments	112 662	2 364	627 862	12 364
	National Bank of Egypt long-term installments (CHP)	176 319	3 700	471 991	9 295
	National Bank of Egypt accrued loan installments during the year	476 500	10 000	507 800	10 000
	National Bank of Egypt accrued loan installments during the year	251 328	5 274	-	-
	National Bank of Kuwait Loan-short term	350 299	7 352	-	-
	National Bank of Kuwait Loan-short term	44 963	-	-	-
	Accrued deposit interests	10 689	224	28 411	559
	<b>Total</b>	<b>1 422 760</b>	<b>28 913</b>	<b>1 636 064</b>	<b>32 218</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 15 installment 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.

Short-term loan for a period of 4 months from the National Bank of Kuwait amounting to 2.30 million USD to meet current liabilities

Short-term loan for a period of 4 months from the National Bank of Kuwait amounting to 56 million EGP to meet current liabilities

B-	Bank credit facilities	12/31/2025	12/31/2025	31/12/2024	31/12/2024
		EGP000	USD000	EGP000	USD000
	NBK credit facility USD	496 959	10 429	216 922	4 272
	Ahli united bank credit facility USD	1 076 941	22 601	555 109	10 932
	Export development Bank credit facility USD	40 238	844	152 470	3 002
	NBK credit facility EGP	-	-	61 209	-
	Export development Bank credit facility EGP	182 451	-	273 014	-
	<b>Total</b>	<b>1 796 589</b>	<b>33 874</b>	<b>1 258 724</b>	<b>18 206</b>

-The Company signed credit facility contracts with National bank of Egypt for six months 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 .

23	Revenue :-	<u>Quantity sold</u>	<u>12/31/2025</u>	<u>31/12/2024</u>
23/1	Sales (net)	<u>Tons</u>	<u>Million EGP</u>	<u>Million EGP</u>
	Ethylene	35 043	1 630.694	1 446.607
	Poly -ethylene*	189 340	10 095.013	9 860.565
	Unprocessed petroleum gas	28 522	687.638	816.191
	Biotin	3 703	240.307	220.144
	Naphtha	1 694	19.601	43.346
	Ethan	17	1.752	13.860
	CO2	26 737	8.411	7.629
	LPG Unit Returns	7 164	121.997	72.588
	Net importer for sale	32 180	1 608.173	1 671.680
	<b>Total</b>	<b>-</b>	<b>14 413.586</b>	<b>14 152.610</b>
	Poly -ethylene*	<u>Quantity sold</u>	<u>12/31/2025</u>	<u>31/12/2024</u>
		<u>Tons</u>	<u>Million EGP</u>	<u>Million EGP</u>
	Local sales	79 736	4 429.796	4 734.036
	Export	109 074	5 649.511	5 118.702
	Waste production	530	15.707	7.826
	<b>Total</b>	<b>189 341</b>	<b>10 095.015</b>	<b>9 860.565</b>
23/2	Investment revenue		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>Million EGP</u>	<u>Million EGP</u>
	Right of use		45.325	16.294
	Investments in Athedico company		166.298	344.625
	<b>Total</b>		<b>211.623</b>	<b>360.919</b>
23/3	Other operating revenues		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>Million EGP</u>	<u>Million EGP</u>
	Revenue from scrape production		37.562	43.587
	<b>Total</b>		<b>37.562</b>	<b>43.587</b>
23/4	Other income		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>Million EGP</u>	<u>Million EGP</u>
	Other miscellaneous revenue		12.940	6.714
	Compensations		6.497	.010
	Capital gain		2.310	.000
	<b>Total</b>		<b>21.746</b>	<b>6.724</b>
23/5	Credit Interest		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>Million EGP</u>	<u>Million EGP</u>
	Interest from deposits treasury & investments documents		463.499	508.916
	<b>Total</b>		<b>463.499</b>	<b>508.916</b>
23/6	Foreign currency gain		<u>12/31/2025</u>	<u>31/12/2024</u>
			<u>Million EGP</u>	<u>Million EGP</u>
	Foreign currency gain		69.738	1.692
	<b>Total</b>		<b>69.738</b>	<b>1.692</b>

24 Expenditures	<u>12/31/2025</u>	<u>31/12/2024</u>
24/1 Cost of goods sold	<u>Million EGP</u>	<u>Million EGP</u>
Salaries & wages	1 652.459	1 483.005
Raw materials &supplies	7 699.066	6 911.036
Service requirements	1 392.725	1 054.592
Depreciation	34.655	49.803
<b>Add - finished goods beginning balance</b>	443.450	289.103
<b>Less - finished goods ending balance</b>	(460.132)	(443.450)
Cost of imported product for sale	1 563.412	1 417.566
<b>Total</b>	<b><u>12 325.635</u></b>	<b><u>10 761.655</u></b>
24/2 Marketing expenses	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>Million EGP</u>	<u>Million EGP</u>
Salaries & wages	44.014	43.319
Tools and equipment	.129	.069
Service equipment	150.345	108.160
<b>Total</b>	<b><u>194.488</u></b>	<b><u>151.548</u></b>
24/3 General and administrative expenses	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>Million EGP</u>	<u>Million EGP</u>
Salaries & wages	281.851	247.595
Materials and supplies	4.742	4.256
Service supplies	332.776	283.387
Depreciation	45.219	17.249
Board of directors meeting attendance allowances	.054	.053
<b>Total</b>	<b><u>664.642</u></b>	<b><u>552.539</u></b>
24/4 Provisions	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>Million EGP</u>	<u>Million EGP</u>
Expected credit losses	17.685	35.012
Tax provision	.000	26.593
<b>Total</b>	<b><u>17.685</u></b>	<b><u>61.605</u></b>
24/5 Other expenses	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>Million EGP</u>	<u>Million EGP</u>
Donations and assistance to third parties	15.710	11.220
Solidarity contribution	37.452	36.820
Impairment	56.311	.000
Inventory impairment	145.087	
<b>Total</b>	<b><u>254.560</u></b>	<b><u>48.040</u></b>
24/6 Finance expenses	<u>12/31/2025</u>	<u>31/12/2024</u>
	<u>Million EGP</u>	<u>Million EGP</u>
Finance expenses	374.824	283.885
<b>Total</b>	<b><u>374.824</u></b>	<b><u>283.885</u></b>

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

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**25- The company’s compliance 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.

**25-1 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

**A-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.

**B- 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

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**C-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.

**D-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.

**25-2 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 been inspected 2019 till 2021 and all variances are settlement.
- The company has not been notified of the inspection for the years from 2019 till 2023.

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**25-3 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 settlement with tax authority.
- The years from 2018 till 2021 have been inspected.
- The years from 2022 till 2023 are under inspection .

**25-4Real 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.

**26-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).

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

#### **For the financial year ended December 31, 2025**

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- 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.

### **27 Environmental and Social responsibility**

#### **27-1 Corporate environmental 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.
  - 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.
- **27-2 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.

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- 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 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.
- **28-Subsequent events**
- The Ordinary General Assembly, held on 10/4/2025, in light of its approval of the company’s financial statements for the fiscal year 2024, agreed to distribute cash shares with a coupon value of 1/share in two installments, the first installment being during the month of May 2025 and with a value of 0.5 per share, and the second installment being during the month of October 2024 and with a value of 0.5 pounds per share. The disbursement was made through Misr for Clearing.

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

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- The decision of the Ordinary and Extraordinary General Assembly was issued in their sessions held on 10/4/2025 approving the increase of the company’s issued capital from 1.81440 billion to 2.268000 billion by distributing 226800 million free shares with a nominal value of 2 pounds per share, at a rate of 1 share for every 4 shares and all required procedures are in progress .
- 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.
- 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

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

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

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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 Ethydco until the completion of the procedures for studying one of the strategic investors to acquire a stake in the capital of Ethydco 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 Ethydco Company, which will be signed with Alpha Oryx Limited, which acquired a 30% stake in Ethydco 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.
- 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