

Translated from Arabic

Egypt Kuwait Holding Company
Consolidated Financial Statements
For the financial year ended 31 December 2024
And Independent Auditors' Report

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**AUDITOR'S REPORT
TO THE SHAREHOLDERS OF EGYPT KUWAIT HOLDING (S.A.E)
ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **EGYPT KUWAIT HOLDING (S.A.E) ("The Company") and its subsidiaries ("The Group")**, represented in the consolidated statement of financial position as of 31 December 2024, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the group's management. Management is responsible for preparing and presenting the financial statements fairly and clearly in accordance with Egyptian Accounting Standards and applicable Egyptian Laws. Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws and interpretations issued by Financial Regulatory Authority (FRA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

The Consolidated financial statements for the year ended 31 December 2023 were audited by another auditor who expressed unqualified opinion on those financial statements and his report was dated 25 February 2024.



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**AUDITORS' REPORT
TO THE SHAREHOLDERS OF EGYPT KUWAIT HOLDING (S.A.E)
ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Opinion

In our opinion, the consolidated financial statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position of the Group as of 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Auditor



**Ashraf Mohamed Mohamed Ismail
FESAA- FEST
RAA (9380)
(EFSAR. 102)
ALLIED FOR ACCOUNTING & AUDITING (EY)**

Cairo: 23 February 2025

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)

Consolidated statement of financial position as of December 31, 2024

All amounts are in US Dollars	Note No.	31-12-2024	31-12-2023
Assets			
Non-current assets			
Fixed assets and projects under construction	(16)	239 776 509	306 061 742
Investment property		343 848	884 463
Goodwill	(17)	41 626 921	46 483 377
Right of use assets	(18)	4 746 611	6 733 286
Biological assets	(19)	1 800 978	2 256 495
Exploration and development assets	(20)	186 866 815	171 678 272
Equity - accounted investees (associate companies)	(21)	33 494 579	22 636 331
Investments at fair value through other comprehensive income	(22)	3 807 777	7 777 077
Other financial assets at amortized cost	(23)	83 322 367	140 504 790
Trade and notes receivables	(26)	5 973 035	10 328 333
Total non-current assets		601 759 440	715 344 166
Current assets			
Inventories	(24)	122 893 826	128 267 560
Work in progress		306 858	348 211
Investments at fair value through other comprehensive income	(22)	-	23 358 160
Other financial assets at amortized cost	(23)	251 762 277	338 312 729
Investments at fair value through profit or loss	(25)	5 200 412	9 590 950
Trade and notes receivables	(26)	125 803 690	137 023 422
Other current assets	(27)	66 955 452	80 251 828
Cash and cash equivalents	(28)	274 542 771	313 230 734
Total current assets		847 465 286	1 030 383 594
Total assets		1 449 224 726	1 745 727 760
Equity and Liabilities			
Equity of the Parent Company :			
Issued and paid up capital	(29)	281 721 321	281 721 321
Legal reserve	(30)	137 960 942	133 896 975
Other reserves	(31)	(629 375 879)	(449 887 827)
Retained earnings		575 226 886	509 941 818
Treasury shares	(32)	(7 880 438)	(3 349 840)
Total equity of the Parent Company		357 652 832	472 322 447
Non-controlling interests	(13)	135 511 345	167 725 197
Total equity		493 164 177	640 047 644
Liabilities			
Non-current liabilities			
Loans and bank facilities	(33)	369 990 519	375 902 034
Suppliers, contractors, notes payable and other creditors	(34)	1 671 166	4 877 492
Lease contracts liabilities	(18)	5 378 533	7 873 567
Deferred tax liabilities	(35)	14 376 764	18 620 986
Total non-current liabilities		391 416 982	407 274 079
Current liabilities			
Accrued income tax		37 217 531	51 945 944
Loans and bank Facilities	(33)	213 041 905	255 418 743
Suppliers, contractors, notes payable and other creditors	(34)	213 367 063	249 728 900
Insurance policyholders' rights	(36)	57 740 540	83 465 043
Lease contracts liabilities	(18)	1 135 308	1 168 296
Provisions	(37)	42 141 220	56 679 111
Total current liabilities		564 643 567	698 406 037
Total liabilities		956 060 549	1 105 680 116
Total equity and liabilities		1 449 224 726	1 745 727 760

* The accompanying notes are an integral part of these consolidated financial statements and to be read therewith.

Group Chief Financial Officer
Medhat Hamed Bonna

Managing Director
Jon Rokk

Chairman
Loay Jassim Al-Kharafi

*Independent Auditor's Report "attached "

Egypt Kuwait Holding Company**(An Egyptian Joint Stock Company)****Consolidated statement of income for the financial year ended December 31, 2024**

All amounts are in US Dollars	Note No.	2024	2023
Revenues	(5)	601 076 021	747 704 323
Cost of revenue recognition	(6)	(385 125 495)	(443 558 588)
Gross profit		215 950 526	304 145 735
Income from investments	(7)	39 301 960	51 503 233
Other income	(8)	33 388 175	24 947 750
Selling and distribution expenses	(9)	(4 040 093)	(3 901 457)
General and administrative expenses		(55 621 318)	(56 250 562)
(Charge) / Reversal of expected credit loss	(10)	(3 445 601)	868 874
Other expenses	(11)	(4 542 730)	(16 984 706)
Net operating profit		220 990 919	304 328 867
Interest income		16 236 840	18 765 413
Net foreign currency translation differences		62 852 627	28 872 350
Financing cost		(62 471 853)	(66 465 592)
Company's share of profit of equity-accounted investees		1 510 006	1 882 675
Net profit for the year before income tax		239 118 539	287 383 713
Income tax	(12)	(53 784 543)	(69 571 806)
Net profit for the year		185 333 996	217 811 907
Net profit attributable to:			
Owners of the Parent Company		163 028 530	179 176 871
Non-controlling interests	(13)	22 305 466	38 635 036
Net profit for the year		185 333 996	217 811 907
Basic / Diluted earnings per share (US Cent / Share)	(14)	11.90	13.48

* The accompanying notes are an integral part of these consolidated financial statements and to be read therewith.

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial year ended December 31, 2024

All amounts are in US Dollars	Note No.	2024	2023
Net profit for the year		185 333 996	217 811 907
Other comprehensive income (loss)			
<u>Items that will not be reclassified to statement of income</u>			
Investments at fair value through other comprehensive income		(3 659 886)	(15 784 875)
		(3 659 886)	(15 784 875)
<u>Items may be subsequently reclassified to statement of income</u>			
Investments at fair value through other comprehensive income		(41 045)	7 462 653
Foreign currency translation differences		(195 924 943)	(94 765 703)
		(195 965 988)	(87 303 050)
Total other comprehensive loss after deducting tax		(199 625 874)	(103 087 925)
Total comprehensive (loss) income		(14 291 878)	114 723 982
Total comprehensive (loss) income attributable to:			
Owners of the holding company		(16 459 522)	86 921 849
Non-controlling interests	(14)	2 167 644	27 802 133
Total comprehensive (loss) income		(14 291 878)	114 723 982

* The accompanying notes are an integral part of these consolidated financial statements and to be read therewith.

Consolidated statement of changes in equity for the financial year ended December 31, 2024

All amounts are in US Dollars

Note No.	Issued and paid in capital	Legal reserve	Other reserves					Retained earnings	Treasury shares	Total equity of the parent Company	Non-controlling interests	Total equity
			Special reserve - share premium	General reserve	Fair value reserve	Translation reserve	Total other reserves					
Balance as of January 1, 2023	281 721 321	129 587 671	57 954 547	8 380 462	(6 110 170)	(359 088 201)	(298 863 362)	452 510 010	(738 390)	564 217 250	278 846 545	843 063 795
Total comprehensive (Loss)income												
Net profit for the year	-	-	-	-	-	-	-	179 176 871	-	179 176 871	38 635 036	217 811 907
Fair value of investments at fair value through other comprehensive income reclassified to retained earnings	-	-	-	-	5 942 037	-	5 942 037	(5 942 037)	-	-	-	-
Other comprehensive loss	-	-	-	-	(8 786 711)	(83 468 311)	(92 255 022)	-	-	(92 255 022)	(10 832 903)	(103 087 925)
Total comprehensive income (loss)	-	-	-	-	(2 844 674)	(83 468 311)	(86 312 985)	173 234 834	-	86 921 849	27 802 133	114 723 982
Transactions with owners of the Company												
Transferred to legal reserve	-	4 309 304	-	-	-	-	-	(4 309 304)	-	-	-	-
Shareholders' dividends	-	-	(57 954 547)	(8 380 462)	-	-	(66 335 009)	(57 622 373)	-	(123 957 382)	-	(123 957 382)
Employees and board members' dividends	-	-	-	-	-	-	-	(33 321 750)	-	(33 321 750)	(5 634 280)	(38 956 030)
Sale of treasury shares	-	-	-	-	-	-	-	(196 479)	5 277 484	5 081 005	-	5 081 005
Purchase of treasury shares	-	-	-	-	-	-	-	-	(7 888 934)	(7 888 934)	-	(7 888 934)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	1 623 529	1 623 529	(20 353 120)	-	(18 729 591)	(105 117 639)	(123 847 230)
Total transactions with owners of the Company	-	4 309 304	(57 954 547)	(8 380 462)	-	1 623 529	(64 711 480)	(115 803 026)	(2 611 450)	(178 816 652)	(110 751 919)	(289 568 571)
Other changes												
Non-controlling interests in subsidiaries' dividends	-	-	-	-	-	-	-	-	-	-	(37 876 160)	(37 876 160)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	9 704 598	9 704 598
Total other changes	-	-	-	-	-	-	-	-	-	-	(28 171 562)	(28 171 562)
Balance as of December 31, 2023	281 721 321	133 896 975	-	-	(8 954 844)	(440 932 983)	(449 887 827)	509 941 818	(3 349 840)	472 322 447	167 725 197	640 047 644
Balance as of January 1, 2024												
281 721 321	133 896 975	-	-	(8 954 844)	(440 932 983)	(449 887 827)	509 941 818	(3 349 840)	472 322 447	167 725 197	640 047 644	
Comprehensive income												
Net profit for the year	-	-	-	-	-	-	-	163 028 530	-	163 028 530	22 305 466	185 333 996
Other comprehensive loss	-	-	-	-	(2 928 014)	(176 560 038)	(179 488 052)	-	-	(179 488 052)	(20 137 822)	(199 625 874)
Total comprehensive income (loss)	-	-	-	-	(2 928 014)	(176 560 038)	(179 488 052)	163 028 530	-	(16 459 522)	2 167 644	(14 291 878)
Transactions with owners of the Company												
Transferred to legal reserve	-	4 063 967	-	-	-	-	-	(4 063 967)	-	-	-	-
Shareholders' dividends	-	-	-	-	-	-	-	(67 592 622)	-	(67 592 622)	-	(67 592 622)
Employees and board members' dividends	-	-	-	-	-	-	-	(27 393 438)	-	(27 393 438)	(4 157 178)	(31 550 616)
Sale of treasury shares	-	-	-	-	-	-	-	(249 939)	9 979 722	9 729 783	-	9 729 783
Purchase of treasury shares	-	-	-	-	-	-	-	-	(14 510 320)	(14 510 320)	-	(14 510 320)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	1 556 504	-	1 556 504	(1 556 504)	-
Total transactions with owners of the Company	-	4 063 967	-	-	-	-	-	(97 743 462)	(4 530 598)	(98 210 093)	(5 713 682)	(103 923 775)
Other changes												
Non-controlling interests in subsidiaries' dividends	-	-	-	-	-	-	-	-	-	-	(29 473 140)	(29 473 140)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	805 326	805 326
Total other changes	-	-	-	-	-	-	-	-	-	-	(28 667 814)	(28 667 814)
Balance as of December 31, 2024	281 721 321	137 960 942	-	-	(11 882 858)	(617 493 021)	(629 375 879)	575 226 886	(7 880 438)	357 652 832	135 511 345	493 164 177

* The accompanying notes are an integral part of these consolidated financial statements and to be read therewith.

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of cash flows for the financial year ended December 31, 2024

All amounts are in US Dollars	Note No.	2024	2023
Cash flows from operating activities			
Net profit for the year before income tax		239 118 539	287 383 713
Adjustments for:			
Depreciation and amortization		50 612 676	61 780 892
Company's share of profit of equity-accounted investees (associate companies)		(1 510 006)	(1 882 675)
Changes in fair value of investments at fair value through profit or loss		(313 361)	(2 492 440)
Loss (Profit) from sale of investments at fair value through other comprehensive income		355 723	(2 886 870)
Gain from sale of fixed assets		(800 004)	(4 795)
Other income		(319 146)	(3 314 160)
Changes in fair value of biological assets		203 987	284 122
Impairment losses in the value of exploration and development assets		-	13 200 000
Losses from sale of investments at fair value through profit or loss		-	45 685
Income from financial assets at amortized cost		(39 143 578)	(41 258 154)
Return from investments at fair value through profit or loss		(23 060)	(441 283)
Return from investments at fair value through other comprehensive income		(149 838)	(3 776 126)
Income from sale of financial assets at amortized cost		(27 846)	(694 045)
Reversal of expected credit loss		(10 498)	(868 874)
Financing expenses		62 471 853	66 465 592
Finance income		(16 236 840)	(18 765 413)
Reversal of impairment of Equity - accounted investees (associates Companies)		(9 833 869)	-
		284 394 732	352 775 169
Change in:			
Investments at fair value through profit or loss		4 703 899	21 697 968
Trade and notes receivables		15 575 030	(43 263 473)
Other current assets		13 502 434	(16 253 889)
Inventories		5 165 156	(10 630 382)
Work in progress		41 353	120 218
Suppliers, contractors, notes payable and other credit balances		(43 473 235)	63 513 784
Insurance policyholders' rights		(25 724 503)	16 632 680
Provisions		(6 398 221)	(7 571 873)
Cash from operating activities		247 786 645	377 020 202
Income taxes paid		(36 153 190)	(21 569 709)
Net cash from operating activities		211 633 455	355 450 493
Foreign currency		(149 423 270)	(27 710 351)
Net cash from operating activities		62 210 185	327 740 142
Cash flows from investing activities			
Collected interest		14 744 945	18 614 781
Payments for additions of fixed assets , projects under construction and investment property	(15)	(34 267 372)	(94 062 985)
Proceeds from sale of fixed assets and investment property		1 567 463	330 558
Payments for additions of biological assets		(276 854)	(586 221)
Payments for additions of exploration and development assets		(37 508 578)	(37 596 440)
Proceeds from return from investments at fair value through other comprehensive income		149 838	1 663 776
Proceeds from return from investments at fair value through profit or loss		23 060	646 494
Dividends received from associates		345 847	-
Net proceeds from other investments		120 592 840	81 010 558
Net cash from (Used in) investing activities		65 371 189	(29 979 479)
Cash flows from financing activities			
Proceeds from loans and bank facilities		515 383 116	430 496 346
Payments for loans and bank facilities		(545 109 036)	(483 032 642)
Non-controlling interests		805 326	(129 442 617)
Restricted cash		(31 789 001)	32 184 982
Lease contracts liabilities		(1 407 664)	(1 218 085)
Proceeds from sale of treasury shares		9729783	5 081 005
Payments for purchase of treasury shares		(14 510 320)	(7 888 934)
Dividends paid		(124 664 251)	(174 966 554)
Net cash used in financing activities		(191 562 047)	(328 786 499)
Net change in cash and cash equivalents during the year		(63 980 673)	(31 025 836)
Foreign currency translation differences of cash and cash equivalents		(63 144 792)	(29 030 430)
Cash and cash equivalents at beginning of the year		311 633 636	371 689 902
Cash and cash equivalents at end of the year	(28)	184 508 171	311 633 636

* The accompanying notes are an integral part of these consolidated financial statements and to be read therewith.

Notes to the consolidated financial statements**for the financial year ended 31 December 2024****All amounts are in US Dollars unless otherwise mentioned.**

1- Company's background and activities

- Egypt Kuwait Holding Company "The Parent Company" was incorporated by virtue of the Chairman of General Investment Authority's resolution No. 197 of 1997, according to the provisions of Investment Law No. 230 of 1989 and according to Law No. 72 of 2017, concerning Investment Incentives & Guarantees and Law No. 95 of 1992 concerning Capital Markets. The Company was registered in Giza Governorate Commercial Registry under No. 114 648 on 20/7/1997. The duration of the Company according to the Company's Statute, is 25 years starting from the date of registration in the Commercial Registry.
- On March 31, 2022, the General Assembly of the shareholders of the Holding Company approved the extension of the duration of the Company for an additional 25 years.
- The Parent Company is listed in the Egyptian Stock Exchange of the Arab Republic of Egypt and Kuwait Stock Exchange.
- The financial statements prepared in accordance with Egyptian accounting standards are published on the Egyptian Stock Exchange, and the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) are published on the Kuwait Stock Exchange.
- The registered office of the Company is located at 14 Hassan Mohamed El Razaz St.-Dokki-Egypt. Mr. Loay Jassim Al-Kharafi is the Chairman of the Company.

2- Basis of preparation of the consolidated financial statements

- The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standard and in accordance with Egyptian law.
- The group's management applied the special accounting treatment to deal with the effects of the liberalization of exchange rates contained in Appendix (C) and Appendix (E) of the Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" (Note No. 47), where it was recognized within the cost of property, plant and equipment and projects under construction at the date of the financial statements the currency differences resulting from translating the balance of a loan in foreign currency that was used to finance the purchase of property, plant and equipment and projects under constructions.
- The consolidated financial statements were authorized for issue by the Board of Directors on February 20, 2025.
- The details of the group's significant accounting policies are included in Note No. (48).

3- Functional and presentation currency

These consolidated financial statements are presented in USD, which is the Holding Company's functional currency.

4- Use of judgments, and estimates

The preparation of separate financial statements in conformity with the Egyptian Accounting Standards requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclose about contingent liabilities on each reporting date. However, uncertainty about these assumptions and estimates may lead to results that would require a material adjustment to the carrying amount of the related asset or liability in the future.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the consolidated financial statements**for the financial year ended December 31, 2024****All amounts are in US Dollars unless otherwise mentioned.**

4-1 Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are included in the following notes:

- Note No. (48-4) Revenue Recognition: Revenue is recognized as detailed in the accounting policies applied.
- Note No. (48-1) Investments accounted for using the equity method (Associate companies): whether the Group has significant influence over investees.
- Note No. (48-21) Lease Contracts

4-2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at December 31st 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note No. (48-4) Revenue Recognition: Estimate of expected returns.
- Note No. (17) Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development cost.
- Note No. (48-19) Measurement of expected credit loss for cash at banks, trade & notes receivable, and debtors and other debit balances.
- Note No. (48-20) Recognition and measurement of provisions and liabilities: key assumptions underlying the probability and amount of future cash flows.

4-3 Measurement of fair values

- A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.
- The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.
- Significant valuation issues are reported to the Group's audit committee.
- When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
 - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note No. (41): biological assets; and
- Note No. (41): financial instruments

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

5- Revenues

	2024	2023
<u>Revenues recognized at point in time</u>		
Chemicals and fertilizers sector revenues	329 741 428	404 473 908
Energy sector revenues	130 518 236	176 835 197
Non-banking financial sector revenues	63 182 997	59 433 315
Wood processing sector revenues	3 182 478	3 101 583
Other activities revenues	242 744	2 967 333
	526 867 883	646 811 336
<u>Revenues recognized over time</u>		
Energy sector revenues	68 424 834	87 241 588
Other activity revenues	5 783 304	13 651 399
	74 208 138	100 892 987
Total revenues	601 076 021	747 704 323

6- Cost of revenue recognition

	2024	2023
Chemicals and fertilizers sector revenues	200 169 631	230 328 546
Energy sector revenues	136 841 432	163 573 474
Non-banking financial sector revenues	40 838 608	36 939 474
Wood processing sector revenues	2 893 761	2 244 818
Other activities revenues	4 382 063	10 472 276
	385 125 495	443 558 588

7- Income from investments

	2024	2023
Income from financial assets at amortized cost	39 143 578	41 258 154
Income from investments at fair value through profit or loss	23 060	441 283
Income from investments at fair value through other comprehensive income	149 838	3 776 126
Change in fair value of investments at fair value through profit or loss	313 361	2 492 440
Income (loss) from sale of investments at fair value through other comprehensive income	(355 723)	2 886 870
Gain from sale of financial assets at amortized cost	27 846	694 045
Losses from investments at fair value through profit or loss	-	(45 685)
	39 301 960	51 503 233

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

8- Other income

	2024	2023
Reversal of impairment of Equity - accounted investees (associates Companies)	9 833 869	-
Drawback and exports subsidies revenues	842 153	945 680
Provisions no longer required	9 918 180	8 717 507
Gain from sale of fixed assets	800 004	4 795
Revenues from the sale of waste	451 689	509 797
Extinguishment of debt	-	11 080 597
Other	11 542 280	3 689 374
	33 388 175	24 947 750

9- Selling and distribution expenses

	2024	2023
Chemicals and plastic activity	3 699 756	3 151 267
Fertilizers activity	331 039	348 105
Cooling technology by natural gas activity	8 566	139 089
Other	732	262 996
	4 040 093	3 901 457

10- Expected credit losses

	Balance as at 31/12/2023	Recognized in profit or loss during the year	Translation Differences	Balance as at 31/12/2024
Cash and cash equivalent	(2 213 184)	36 248	909 296	(1 267 640)
Investments at fair value through other comprehensive income	(249 663)	319 146	(69 483)	-
Other financial assets at amortized cost	(1 718 734)	(25 750)	282 329	(1 462 155)
Trade & notes receivables	(4 107 418)	(969 027)	786 246	(4 290 199)
Other current assets	(4 958 825)	(2 806 218)	2 640 193	(5 124 850)
	(13 247 824)	(3 445 601)	4 548 581	(12 144 844)

11- Other expenses

	2024	2023
Impairment loss on the value of exploration and development assets	-	13 200 000
Provision formed during the year	4 338 743	3 500 584
Change in fair value of biological assets	203 987	284 122
	4 542 730	16 984 706

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

12- Income tax

	2024	2023
Current income tax expense	53 342 714	60 336 737
Deferred income tax expense	441 829	9 235 069
	53 784 543	69 571 806

Adjustments to calculate the effective tax rate

	2024	2023
Consolidated net accounting profit before income tax	239 118 539	287 383 713
Tax rate	%22.5	%22.5
Expected income tax on accounting profit	53 801 671	64 661 335
Share of profit of equity-accounted investees reported, net of tax	(339 751)	(423 602)
Non-deductible expenses	(786 038)	(433 348)
Separate tax base	(1 461 840)	(5 299 793)
Current-year losses for which no deferred tax asset is recognized	2 707 655	2 244 290
Recognition of previously unrecognized tax losses	(578 983)	(412 145)
Recognition of previously unrecognized temporary differences (derecognition of previously recognized)	441 829	9 235 069
Tax as per consolidated statement of income	53 784 543	69 571 806
Effective tax rate	%22.49	%24.2

Notes to the consolidated financial statements (Cont.) for the financial year ended December 31, 2024

All amounts are in US Dollars

13- Non-controlling interests

December 31, 2024	Non-controlling interest %	Total revenues	Net profit (loss)	Consolidation adjustments	Non controlling interest share of net profit (loss)	Non controlling interest share of OCI	Non controlling interest share of P&L
National Gas Co. (Natgas)	%16.02	47 487 560	28 919 133	(932 411)	3 699 470	(5 787 336)	(2 087 866)
Globe for Communication & Information Technology Co.	%1.00	-	-	-	-	(1 164)	(1 164)
NSCO Co.	%0.0006	62 223 439	31 097 609	-	174	-	174
Cooling Technology by Natural Gas Co. (Gas Chill)	%14.01	1 705 568	576 102	-	80 688	(171 451)	(90 763)
Go Gas	%0.80	-	4 464	-	36	(2 587)	(2 551)
El Fayoum Gas Co	%22.00	14 968 208	1 947 539	-	428 459	(830 435)	(401 976)
Bawabet El Kwauit	%5.32	213 241 349	44 093 659	-	2 344 718	22 152	2 366 870
Alex Fert Co.	%21.49	213 241 349	81 245 926	-	17 457 749	-	17 457 749
Delta Insurance Co.	%36.61	49 332 701	18 116 054	1 535	6 634 384	(7 166 162)	(531 778)
El Shorouk for Melamine & Resins Co.	%4.95	3 555 267	447 151	-	22 140	(44 743)	(22 603)
MOG Energy Co.	%18.70	11 770 442	(16 264 449)	(5 639 017)	(8 680 321)	(747 844)	(9 428 165)
Gas Line Co.	%16.02	-	5 009 331	-	802 328	(3 111 854)	(2 309 526)
Al Nubaria for Natural Gas Co.	%16.02	296 670	93 609	-	14 993	(454 815)	(439 822)
Al Watania for Electric Technology Co (Kahraba)	-	-	9 336 770	202 705	202 705	(877 566)	(674 861)
Kahraba Future Co.	-	-	(2 655)	(457)	(457)	(6 150)	(6 607)
Global MDF	%16.20	3 182 478	(5 234 165)	(189)	(848 124)	(958 024)	(1 806 148)
Midor Suez Oil Refining Company	%0.002	-	(1 800)	-	-	-	-
Advanced Gas Pipelines Co.	%49.00	-	343 392	-	168 262	157	168 419
AD Astra - Madero	%49.00	-	(44 364)	-	(21 738)	-	(21 738)
		621 005 031	199 683 306	(6 367 834)	22 305 466	(20 137 822)	2 167 644

December 31, 2023

December 31, 2023	Non-controlling interest %	Total revenues	Net profit (loss)	Consolidation adjustments	Non controlling interest share of net profit (loss)	Non controlling interest share of OCI	Non controlling interest share of P&L
National Gas Co. (Natgas)	%16.02	67 593 971	26 220 591	-	4 199 665	(7 316 088)	(3 116 423)
Globe for Communication & Information Technology Co.	%1.00	-	-	-	-	(738)	(738)
NSCO Co.	%0.0006	58 389 957	30 226 973	-	170	-	170
Cooling Technology by Natural Gas Co. (Gas Chill)	%14.01	2 459 602	274 854	-	38 496	(98 170)	(59 674)
Go Gas	%0.80	-	-	-	-	(1 631)	(1 631)
El Fayoum Gas Co	%22.01	14 353 913	2 320 917	-	510 834	(397 558)	113 276
Bawabet El Kwauit	%5.33	263 610 845	56 331 519	3 484 335	6 485 973	4 239 417	10 725 390
Alex Fert Co.	%21.49	263 610 845	95 154 855	(40 335)	20 406 100	-	20 406 100
Delta Insurance Co.	%36.61	49 208 476	15 318 013	8 455	5 616 855	(3 754 787)	1 862 068
El Shorouk for Melamine & Resins Co.	%4.95	5 417 044	544 223	-	26 946	(20 521)	6 425
MOG Energy Co.	%18.70	66 301 268	(18 490 333)	4 380 603	922 876	(2 038 320)	(1 115 444)
Gas Line Co.	%16.02	-	5 821 065	-	932 341	278 685	1 211 026
Al Nubaria for Natural Gas Co.	%16.02	582 746	258 246	-	41 362	(573 675)	(532 313)
Al Watania for Electric Technology Co (Kahraba)	%3.84	49 684 370	12 455 892	-	477 728	(322 705)	155 023
Kahraba Future Co.	%3.84	-	(1 522)	-	(58)	(477)	(535)
Global MDF	%16.20	3 101 583	(5 283 030)	-	(855 851)	(826 295)	(1 682 146)
Midor Suez Oil Refining Company	%0.002	-	-	-	-	-	-
Advanced Gas Pipelines Co.	%49.00	-	(343 671)	-	(168 400)	(40)	(168 440)
AD Astra - Madero	%49.00	-	-	-	-	-	-
		844 314 620	220 808 592	7 833 058	38 635 036	(10 832 903)	27 802 133

Notes to the consolidated financial statements (Cont.) for the financial year ended December 31, 2024

All amounts are in US Dollars

13- Non-controlling interests

December 31, 2024

	Non-controlling interest %	Non current assets	Current assets	Non current liabilities	Current liabilities	Net assets	Consolidation adjustments	Non controlling interest share of net
National Gas Co. (Natgas)	%16.02	30 039 885	98 541 163	2 047 153	53 884 610	72 649 285	(932 411)	10 703 583
Globe for Communication & Information Technology Co.	%1.00	-	180 829	-	541	180 288	-	1 803
NSCO Co.	%0.0006	149 736 375	90 001 195	-	128 409 246	111 328 324	-	624
Cooling Technology by Natural Gas Co. (Gas Chill)	%14.01	40 842	6 245 072	2 337	3 878 206	2 405 371	-	336 892
Go Gas	%0.80	-	500 822	-	-	500 822	-	4 011
El Fayoum Gas Co. S.A.E.	%22.00	197 884	19 250 452	6 976	12 405 549	7 035 811	-	1 547 878
Bawabet El Kwauit	%5.32	111 932 893	388 600 918	13 982 059	205 144 034	281 407 718	-	14 964 096
Alex Fert	%21.49	74 648 529	326 350 424	683 358	55 354 555	344 961 040	-	74 123 633
Delta Insurance	%36.61	19 737 745	93 625 037	191 095	75 798 304	37 373 383	1 752 534	15 436 089
El Shorouk for Melamine & Resins Co.	%4.95	806 446	2 415 425	76 094	1 473 955	1 671 822	-	82 778
MOG Energy	%18.70	37 626 339	17 632 416	7 589 342	170 310 820	(122 641 407)	29 081 911	6 149 082
Gas Line	%16.02	18 750 660	41 069 921	-	26 258 688	33 561 893	-	5 375 497
Al Nubaria for Natural Gas Co. S.A.E.	%16.02	2 478	4 976 118	(2 569)	600 099	4 381 066	-	701 701
Global MDF	%16.20	56 233 531	6 299 000	24 430 799	32 624 932	5 476 800	-	887 242
Midor Suez Oil Refining Company	%0.002	-	266 657	-	4 971	261 686	-	5
Advanced Gas Pipelines	%49.00	-	26 613	-	-	26 613	-	13 040
AD Astra - Madero	%49.00	4 534	12 650 292	-	12 659 239	(4 413)	5 185 554	5 183 392
		499 758 141	1 108 632 354	49 006 644	778 807 749	780 576 102	35 087 588	135 511 345

December 31, 2023

	Non-controlling interest %	Non current assets	Current assets	Non current liabilities	Current liabilities	Net assets	Consolidation adjustments	Non controlling interest share of net
National Gas Co. (Natgas)	%16.02	67 947 300	93 116 375	1 197 775	75 124 486	84 741 414	-	13 572 750
Globe for Communication & Information Technology Co.	%1.00	-	297 615	-	890	296 725	-	2 967
NSCO Co.	%0.0006	131 713 470	84 438 953	-	135 142 892	81 009 531	-	454
Cooling Technology by Natural Gas Co. (Gas Chill)	%14.01	74 195	8 664 178	3 847	5 646 675	3 087 851	-	432 479
Go Gas	%0.80	-	819 391	-	-	819 391	-	6 562
El Fayoum Gas Co. S.A.E.	%22.01	411 517	29 949 771	1 551	20 913 872	9 445 865	-	2 079 035
Bawabet El Kwauit	%5.33	110 644 202	490 806 724	7 000 110	239 218 984	355 231 832	-	18 928 610
Alex Fert	%21.49	89 688 151	370 335 019	7 000 110	77 740 442	375 282 618	-	80 638 994
Delta Insurance	%36.61	45 173 020	103 492 972	105 653	103 207 824	45 352 515	2 905 169	19 510 131
El Shorouk for Melamine & Resins Co.	%4.95	1 403 532	4 007 134	105 071	3 117 277	2 188 318	-	108 351
MOG Energy	%18.70	43 118 834	29 609 927	10 491 696	164 613 854	(102 376 789)	32 478 608	13 333 958
Gas Line	%16.02	33 501 572	17 355 988	-	2 876 155	47 981 405	-	7 685 022
Al Nubaria for Natural Gas Co. S.A.E.	%16.02	5 318	8 126 534	-	1 004 757	7 127 095	-	1 141 523
Al Watania for Electric Technology Co (Kahraba) S.A.E.	%3.84	62 736 397	40 608 043	5 947 176	39 714 429	57 682 835	-	2 212 342
Kahraba Future	%3.84	-	420 661	-	7 513	413 148	-	15 846
Global MDF	%16.20	75 768 807	11 532 600	38 609 887	32 065 661	16 625 859	-	2 693 389
Midor Suez Oil Refining Company	%0.002	-	270 684	-	7 198	263 486	-	5
Advanced Gas Pipelines	%49.00	-	13 071	-	330 170	(317 099)	-	(155 379)
AD Astra	%49.00	-	-	-	-	-	5 518 156	5 518 156
		662 186 315	1 293 865 640	70 462 876	900 733 079	984 856 000	40 901 933	167 725 197

Notes to the consolidated financial statements

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14- Basic / Diluted earnings per share of profits (US Cent / Share)

The calculation of basic / diluted earnings per share of profits was based on the profit attributable to shareholders and number of outstanding shares as follows:

	2024	2023
Net profit for the year (owners of the parent Company)	163 028 530	179 176 871
Employees and board member's share in profit of the parent company – proposed / approved	(10 915 405)	(8 188 029)
Employees and board member's share in profit in subsidiaries – proposed / approved	(18 460 229)	(19 205 409)
Shareholder's share in net profit for the year	133 652 899	151 783 433
Weighted average number of shares outstanding*	1 123 472 929	1 126 245 283
Basic earnings per share of profits (US cent / Share)	11.90	13.48

- There are no shares with diluted impact, therefore the basic and diluted EPS are the same.
- Weighted average number of outstanding shares is calculated as follows:

	2024	2023
Issued shares at the beginning of the year	1 122 887 407	1 126 320 287
Weighted average treasury shares sold during the year	8 135 657	1 175 281
Weighted average treasury shares purchased during the year	(7 550 135)	(1 250 285)
Weighted average number of shares outstanding during the year	1 123 472 929	1 126 245 283

15- Non-cash transactions:

For the purpose of preparing the consolidated statement of cash flows for the financial year ended 31 December 2024, the effect of the following amounts has been excluded from investing activities as they represent non-cash transactions:

<u>Amount</u>	<u>Investment activities</u>
1 366 657	Addition of fixed assets and projects under construction – recorded in Suppliers, contractors, notes payable and other creditors
2 059 535	Addition of fixed assets– capitalized currency differences on fixed assets and projects under constructions
3 040 981	Addition of fixed assets– capitalized borrowing costs on fixed assets and projects under constructions.

16- Fixed assets and projects under construction

	Land	Buildings and constructions	Vehicles and transportation	Furniture and office equipment	Machinery and equipment	Tools and supplies	Stations, generators & electric transformers	Computer, software & decorations	Leasehold improvements	Irrigation network	Projects under construction	Total
Cost as of 1/1/2023	26 626 731	57 672 086	10 198 522	6 521 080	344 921 610	2 011 380	56 844 744	11 330 583	1 478 361	3 190 206	111 926 771	632 722 074
Additions	50 588	5 201 291	762 452	738 405	53 937 756	216 492	2 369 285	756 481	237 976	-	-	64 270 726
Change in projects under construction	-	-	-	-	-	-	-	-	-	-	41 382 396	41 382 396
Disposals	(65 335)	-	(154 260)	(226 765)	(3 858 543)	-	-	(8 492)	-	-	-	(4 313 395)
Effect of movement in exchange rates	(3 297 697)	(2 044 341)	(808 224)	(1 055 821)	(258 089)	(28 298)	(15 267 161)	(682 831)	(15 442)	(474 085)	(52 822 449)	(76 754 438)
Cost as of 31/12/2023	23 314 287	60 829 036	9 998 490	5 976 899	394 742 734	2 199 574	43 946 868	11 395 741	1 700 895	2 716 121	100 486 718	657 307 363
Additions	12 037	108 805	2 547 436	915 065	3 154 324	409 900	14 693 456	998 743	404 287	184 895	-	23 428 948
Change in projects under construction	-	-	-	-	-	-	-	-	-	-	17 307 596	17 307 596
Disposals	-	(682 455)	(1 414 287)	(76 634)	(289 451)	(15 617)	(643 885)	(28 725)	(29 688)	-	-	(3 180 742)
Effect of movement in exchange rates	(5 199 738)	(3 503 790)	(1 744 235)	(1 560 738)	(24 143 257)	(397 301)	(18 125 897)	(1 729 160)	75 092	(261 565)	(37 716 816)	(94 307 405)
Cost as of 31/12/2024	18 126 586	56 751 596	9 387 404	5 254 592	373 464 350	2 196 556	39 870 542	10 636 599	2 150 586	2 639 451	80 077 498	600 555 760
Accumulated depreciation and impairment losses as of 1/1/2023	-	35 298 892	8 243 682	4 881 356	261 277 995	1 599 494	14 671 856	8 494 237	1 174 224	646 969	459 995	336 748 700
Depreciation	-	2 066 262	625 504	451 208	19 253 176	166 906	2 238 683	988 979	78 618	299 540	-	26 168 876
Accumulated depreciation of disposals	-	-	(82 600)	(202 420)	(3 557 877)	-	-	(10 085)	-	-	-	(3 852 982)
Effect of movement in exchange rates	-	(636 372)	(501 945)	(604 369)	1 299 642	(19 010)	(6 708 100)	(409 288)	(15 442)	(128 807)	(95 282)	(7 818 973)
Accumulated depreciation and impairment losses as of 31/12/2023	-	36 728 782	8 284 641	4 525 775	278 272 936	1 747 390	10 202 439	9 063 843	1 237 400	817 702	364 713	351 245 621
Depreciation	-	2 100 313	672 230	1 073 011	20 724 619	152 416	1 587 499	814 694	186 676	217 239	-	27 528 697
Accumulated depreciation of disposals	-	(175 270)	(1 338 023)	(64 397)	(249 491)	-	(643 885)	(24 075)	(5 938)	-	-	(2 501 079)
Effect of movement in exchange rates	-	(818 279)	(1 138 695)	(1 703 233)	(6 013 796)	(250 202)	(4 183 093)	(1 044 996)	6 288	(347 982)	-	(15 493 988)
Accumulated depreciation and impairment losses as of 31/12/2024	-	37 835 546	6 480 153	3 831 156	292 734 268	1 649 604	6 962 960	8 809 466	1 424 426	686 959	364 713	360 779 251
Carrying amount as of 31 December 2023	23 314 287	24 100 254	1 713 849	1 451 124	116 469 798	452 184	33 744 429	2 331 898	463 495	1 898 419	100 122 005	306 061 742
Carrying amount as of 31 December 2024	18 126 586	18 916 050	2 907 251	1 423 436	80 730 082	546 952	32 907 582	1 827 133	726 160	1 952 492	79 712 785	239 776 509

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

17- Goodwill

This balance is represented in the carrying amount of goodwill resulted from acquisition of the following companies:

	31/12/2023	Translation Differences	31/12/2024
Alexfert Co.	34 107 324	-	34 107 324
Spreea Misr for Chemicals and Plastics	5 665 449	(2 223 165)	3 442 284
National Gas (NATGAS)	4 016 617	(1 576 151)	2 440 466
Delta Insurance	1 868 662	(733 276)	1 135 386
El Fayoum Gas	825 325	(323 864)	501 461
	46 483 377	(4 856 456)	41 626 921

The recoverable amount of the following CGUs was based on its value in use, determined by discounting the future cashflows to be generated from the continuing use of the CGU. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimates in line with expected long-term growth rate of GDP, consistent with the assumptions that a market participant would make. The key assumptions used in the estimation of value in use were as follows:

Significant unobservable inputs**Alexfert Co.**

Discount rate	16%
Terminal value growth rate	3%
EBT growth rate (average of next five years)	3%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital, with a possible debt leveraging of 18 % and cost of debt before tax 9.7% and cost of debt after tax 7.5%

The EBT growth rate was estimated considering past experience, adjusted as follows:

- Sales volume for the next five years was projected based on current production capacity while prices were estimated according to international studies that determine selling prices. In line with market expectations for demand and inflation expected over the next five years.

Spreea Misr for Chemicals and Plastics

Discount rate	24.8%
Terminal value growth rate	3%
EBT growth rate (average of next five years)	18%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital, with a possible debt leveraging of 29 % and cost of debt before tax 29.25% and cost of debt after tax 22.7%

The EBT growth rate was estimated considering past experience, adjusted as follows:

- Sales volume for the next five years is projected based on current production capacity assuming non-stable selling prices. Although selling prices are expected to rise in line with expected inflation over the next five years and exchange rate change.

Notes to the consolidated financial statements

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All amounts are in US Dollars unless otherwise mentioned.

**National
Gas
Company
(NATGAS)**

Discount rate	24.8%
Terminal value growth rate	5%
EBT growth rate (average of next five years)	5%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital, with a possible debt leveraging of 36 % and cost of debt before tax 29.25% and cost of debt after tax 22.7%

The EBT growth rate was estimated considering past experience, adjusted as follows:

- Sales volume for the next five years is projected based on the contractual agreements with government, announced government plans as well as the Average growth rate of sales to ultimate consumers experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would increase in line with increase in government price index and forecast inflation over the next five years.

**Delta
Insurance**

The recoverable amount of this CGU was based on fair value less cost of disposal, estimated using the earnings multiplier for the industry in similar markets. The fair value measurement was categorized as a Level 2 fair value based on the inputs in the valuation technique used. no significant unobservable inputs were used to determine the fair value of this cash generating unit.

**El Fayoum
Gas**

Discount rate	24.8%
Terminal value growth rate	3%
EBT growth rate (average of next five years)	13%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital, with a possible debt leveraging of 36 % and cost of debt before tax 29.25% and cost of debt after tax 22.7%.

The EBT growth rate was estimated considering past experience, adjusted as follows:

- Sales volume for the next five years is projected based on the contractual agreements with government, announced government plans as well as the Average growth rate of sales to ultimate consumers experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would increase in line with increase in government price index and forecast inflation over the next five years.

Sensitivity to changes in assumptions

With respect to management's assessment of the value in use of CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

Sensitivity analyses are based on the change in an assumption, with all other assumptions held constant. In practice, this is unlikely to occur as changes in some assumptions may be interdependent

Notes to the consolidated financial statements

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All amounts are in US Dollars unless otherwise mentioned.

	Assumptions	Changes in assumptions	Decrease of recoverable amount	
Alex Fertilizer	Discount rate	+ 1%	30 199 743	In case of an increase in the discount rate by 1%, it would result in a decrease in the recoverable amount by USD 30 199 743. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.
	Terminal Growth Rate	- 1%	16 713 097	In case of a decrease in the terminal growth rate by 1%, it would result in a decrease in the recoverable amount by USD 16 713 097. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.
Spera Misr for Chemicals and Plastics	Discount rate	+ 1%	13 414 609	In case of an increase in the discount rate by 1%, it would result in a decrease in the recoverable amount by USD 13 414 609. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.
	Terminal Growth Rate	- 1%	6 407 115	In case of a decrease in the terminal growth rate by 1%, it would result in a decrease in the recoverable amount by USD 6 407 115. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.
National Gas Company (NATGAS)	Discount rate	+ 1%	3 948 790	In case of an increase in the discount rate by 1%, it would result in a decrease in the recoverable amount by USD 3 948 790. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.

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All amounts are in US Dollars unless otherwise mentioned.

	Assumptions	Changes in assumptions	Decrease of recoverable amount	
National Gas Company (NATGAS)	Terminal Growth Rate	- 1%	1 969 652	In case of a decrease in the terminal growth rate by 1%, it would result in a decrease in the recoverable amount by USD 1 969 652. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.
El Fayoum Gas	Discount rate	+ 1%	390 084	In case of an increase in the discount rate by 1%, it would result in a decrease in the recoverable amount by USD 390 084. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.
	Terminal Growth Rate	- 1%	166 888	In case of a decrease in the terminal growth rate by 1%, it would result in a decrease in the recoverable amount by USD 166 888. However, this does not lead to an impairment of goodwill, as the recoverable amount of the CGU still exceeds its carrying amount.

18- Right of use assets

Right of use assets represents the value of land and buildings leased by the group to carry out its business and is as follows:

	31/12/2024	31/12/2023
<u>Cost</u>		
Cost at the beginning of the year	10 180 719	12 413 959
Additions	683 243	882 434
Effect of change in foreign exchange rates	(2 209 165)	(3 115 674)
Cost at the end of the year	8 654 797	10 180 719
<u>Accumulated amortization</u>		
Accumulated depreciation at the beginning of the year	(3 447 433)	(2 675 233)
Depreciation	(952 519)	(1 003 472)
Effect of change in foreign exchange rates	491 766	231 272
Accumulated amortization at the end of the year	(3 908 186)	(3 447 433)
Net carrying amount	4 746 611	6 733 286

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

Present value of the total liabilities resulted from right of use as follows:

	31/12/2024	31/12/2023
Non-current lease contracts liabilities	5 378 533	7 873 567
Current lease contracts liabilities	1 135 308	1 168 296
	6 513 841	9 041 863

Movement in lease contracts liabilities as follows:

	31/12/2024	31/12/2023
Balance at the beginning of the year	9 041 863	10 272 473
Interest on lease contracts liabilities	881 851	538 411
Additions during the year	683 243	882 434
Installments paid for lease liabilities	(1 407 664)	(1 218 085)
Effect of movement in exchange rates	(2 685 452)	(1 433 370)
Balance at the end of the year	6 513 841	9 041 863

19- Biological assets

	31/12/2024	31/12/2023
Tree forests	135 205	222 526
Wages, salaries, and consultations	625 289	879 525
Fertilizers and pesticides	100 640	186 695
Equipment rent	65 538	149 314
Right of use assets' amortization	105 953	152 265
Right of use assets' interest	255 261	331 493
Property plant and equipment' depreciation	522 834	812 699
Other	266 144	283 163
Change in fair value	(275 886)	(761 185)
	1 800 978	2 256 495

- This balance is represented in the acquisition cost of the tree forest (Camphor, Casuarina and Sesbania trees) which is located on plots of land leased by one of the Group's companies. The group's management reclaimed and cultivated an area of 2,652 acres with tree forests; below are the key assumptions used in measurement of the fair value, as significant unobservable inputs were used:
 - All crops are still in the experimental cultivation stage.
 - All Sesbania trees crops are still in the first agricultural cycle.
 - There is no possibility to estimate the productivity of an acre to a reasonable degree.
 - Based on technical opinion as at the reporting date, the highest productivity for an acre at the time of expected harvest was estimated.
 - Lack of an active market for all planted crops.
 - It is not possible to determine a comparative price.

Fair value measurement

- The biological assets were classified in the third level of the fair value model based on the inputs of the valuation methods used.
- The total losses and profits resulting from that classification were included in the other income item in the consolidated financial statements.

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

Movement in biological assets as follows:

	31/12/2024	31/12/2023
Balance at the beginning of the year	2 256 495	3 034 020
Additions (costs incurred during the year)	276 854	1 247 755
Change in amortization of right of use assets during the year	32 096	19 363
Change in interest of right of use assets during the year	76 232	88 484
Change in depreciation of fixed assets during the year	165 772	244 246
Transferred to inventory during the year	(187 140)	(660 041)
Translation differences	(1 028 445)	(956 147)
Change in fair value	209 114	(761 185)
Balance at the end of the year	1 800 978	2 256 495

Change in Fair Value:

	31/12/2024	31/12/2023
Balance at the beginning of the year	(761 185)	-
Change in Fair Value Recognized in the Income Statement	(203 987)	(284 122)
Change in Fair Value Recognized in Inventory	395 718	(477 063)
Effect of movement on exchange rates	293 568	-
Balance at the end of the year	(275 886)	(761 185)

Notes to the consolidated financial statements (Cont.) for the year ended December 31, 2024

All numbers are in US Dollars

20- Exploration and development assets

	Producing wells	Exploration wells	Development wells	Equipment / field services	Pipelines	Projects under construction	Total
Cost							
As of 1/1/2023	141 474 165	79 576 014	5 290 971	30 279 573	6 405 858	4 719 059	267 745 640
Additions	1 899 652	-	-	668 338	-	-	2 567 990
Change in projects under constructions	-	-	-	-	-	34 529 275	34 529 275
As of 31/12/2023	143 373 817	79 576 014	5 290 971	30 947 911	6 405 858	39 248 334	304 842 905
As of 1/1/2024	143 373 817	79 576 014	5 290 971	30 947 911	6 405 858	39 248 334	304 842 905
Additions	29 538 463	34 795 540	-	1 480 634	-	-	65 814 637
Disposals	-	-	-	-	-	-	-
Change in projects under constructions	-	-	-	-	-	(28 306 059)	(28 306 059)
As of 31/12/2024	172 912 280	114 371 554	5 290 971	32 428 545	6 405 858	10 942 275	342 351 483
Accumulated amortization, depletion, and impairment losses							
As of 1/1/2023	72 965 839	8 415 089	1 036 741	1 872 652	1 565 764	-	85 856 085
Amortization and depletion	18 462 545	5 953 927	807 930	7 663 948	1 220 197	-	34 108 547
Impairment losses	3 507 421	485 636	2 132 934	3 852 691	3 221 319	-	13 200 001
As of 31/12/2023	94 935 805	14 854 652	3 977 605	13 389 291	6 007 280	-	133 164 633
As of 1/1/2024	94 935 805	14 854 652	3 977 605	13 389 291	6 007 280	-	133 164 633
Amortization and depletion	11 221 597	9 091 359	40 425	1 966 654	-	-	22 320 035
As of 31/12/2024	106 157 402	23 946 011	4 018 030	15 355 945	6 007 280	-	155 484 668
Carrying amount as of 31/12/2023	48 438 012	64 721 362	1 313 366	17 558 620	398 578	39 248 334	171 678 272
Carrying amount as of 31/12/2024	66 754 878	90 425 543	1 272 941	17 072 600	398 578	10 942 275	186 866 815

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

21- Equity-accounted investees (associate companies)

	Ownership %	31/12/2024	31/12/2023
<u>Investments listed in stock exchange</u>			
El-Mohandas Insurance Company	24.99	23 499 298	22 285 030
<u>Investments not listed in stock exchange</u>			
Inayah Egypt for Medical Care Programs Management Co.	12.65	279 271	351 301
Egyptian Tankers Co.	30	17 010 316	17 128 175
Building Materials Industries Company	38.36	34 175 480	34 175 480
		74 964 365	73 939 986
Impairment losses "Egyptian Tankers Co."		(7 294 306)	(17 128 175)
Impairment losses "Building Materials Industries Company"		(34 175 480)	(34 175 480)
		33 494 579	22 636 331

The following table summarizes the Group's interest in the financial information of the equity-accounted investees:

	Al Mohandas Insurance Company	Inayah Egypt Co.	Egyptian Tankers Co. (S.A.E.)	Building Materials Industries Company
<u>31 December 2024</u>				
Total assets	78 401 928	2 410 431	60 700 598	56 530 029
Total liabilities	(54 732 464)	(1 014 075)	(28 289 587)	(81 109 828)
Equity	(24 029 464)	(1 396 356)	(32 411 011)	(24 579 799)
The group's share in net equity	6 004 963	418 907	9 723 303	-
Revenues	30 419 556	647 076	10 047 928	56 721 318
Net profit (loss)	6 242 954	535 581	(392 862)	(8 609 174)
Group's share of net profit (loss)	1 560 114	67 751	(117 859)	-
<u>31 December 2023</u>				
Total assets	107 892 067	3 034 933	73 358 835	85 685 536
Total liabilities	(75 353 041)	(1 178 324)	(43 607 135)	(94 795 289)
Equity	(32 539 026)	(1 856 609)	(29 751 700)	9 109 753
The group's share in net equity	8 131 503	234 861	8 925 510	-
Revenues	36 060 187	1 343 825	28 528 623	53 531 339
Net profit	7 177 507	703 684	5 312 553	7 032 179
Group's share of net profit	1 793 659	89 016	-	-

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

22- Investments at fair value through other comprehensive income

	31/12/2024	31/12/2023
Government debt securities	-	23 315 504
Accrued interest during 3 months	-	292 319
<u>Shares in local companies - listed on (EGX)</u>		
Cairo Poultry Company	2 398 792	2 342 786
Raya Holding	35 129	57 405
Heliopolis Company For Housing & Development	623	1 010
<u>Shares in local companies – not listed on (EGX)*</u>		
Aamal Holding Company	1 370 883	1 374 716
Egypt Hydrocarbon Corporation	-	4 000 000
Others	2 350	1 160
	3 807 777	31 384 900
Expected credit losses	-	(249 663)
	3 807 777	31 135 237
<u>Classified as follows: -</u>		
Non-current	3 807 777	7 777 077
Current	-	23 358 160
	3 807 777	31 135 237

* The Group designated the equity securities shown above at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

Movement in financial assets at fair value through other comprehensive income as follows:

	31/12/2024	31/12/2023
Cost at the beginning of the year	42 345 059	244 776 883
Payments for acquisition during the year	-	163 276 795
Proceeds from sales during the year	(22 914 100)	(362 121 966)
Profit/(loss) from sales during the year	(355 723)	2 886 870
Accrued interest	-	292 319
Effect of movement on exchange rates	(606 369)	(6 765 842)
	18 468 867	42 345 059
Expected credit losses	-	(249 663)
Fair value reserve balance*	(14 661 090)	(10 960 159)
Balance at the end of the year	3 807 777	31 135 237

*** Fair value reserve balance:**

	31/12/2023	Change during the year	31/12/2024
Government debt securities	41 045	(41 045)	0
Equity securities	(11 001 204)	(3 659 886)	(14 661 090)
* Fair value reserve balance	(10 960 159)	(3 700 931)	(14 661 090)
Owners of the Parent Company	(8 954 844)	(2 928 014)	(11 882 858)
Non-controlling interests	(2 005 315)	(772 917)	(2 778 232)
	(10 960 159)	(3 700 931)	(14 661 090)

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

23- Financial assets at amortized cost

	31/12/2024	31/12/2023
Governmental bonds	65 795 740	111 722 900
Treasury bills	187 192 730	315 328 182
Designated governmental bonds - Insurance Sector	82 101 655	40 377 587
Designated bank investment certificates - Insurance sector	-	6 001
Government bonds "Insurance sector"	-	2 743 089
Cash investment funds	147 179	203 025
Accrued interest	1 309 495	10 155 469
	336 546 799	480 536 253
Expected credit losses	(1 462 155)	(1 718 734)
	335 084 644	478 817 519
<u>Classified as follows: -</u>		
Non-current	83 322 367	140 504 790
Current	251 762 277	338 312 729
	335 084 644	478 817 519

Movement in financial assets at amortized cost as follows:

	31/12/2024	31/12/2023
Cost at the beginning of the year	480 536 253	337 102 045
Payments for acquisition during year	390 601 264	391 485 582
Proceeds during the year	(488 280 004)	(252 874 080)
Gain from sale during the year	27 846	694 045
Income from financial assets at amortized cost	39 143 578	41 258 154
Change in investments in treasury bills and bonds maturing within three months	(55 702 957)	10 155 469
Translation differences	(29 779 181)	(47 284 962)
Cost at the ending of the year	336 546 799	480 536 253
Expected credit losses	(1 462 155)	(1 718 734)
Balance at the end of the year	335 084 644	478 817 519

24- Inventories

	31/12/2024	31/12/2023
Consumable, spart parts and other supplies	77 631 744	77 728 528
Fuel and oil	184 708	143 597
Finished goods and work in process	9 734 954	18 239 955
Letters of credit and goods in transit	7 511 562	2 778 018
Completed units ready for sale	27 744 178	29 787 322
Others	610 240	117 250
	123 417 386	128 794 670
Inventory write down*	(523 560)	(527 110)
	122 893 826	92128 267 560
* Inventory write down		
Balance at the beginning of the year	(527 110)	(575 062)
Reverse of inventory write down during the year	-	45 335
Translation differences	3 550	2 617
Balance at the end of the year	(523 560)	(527 110)

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

25- Investments at fair value through profit or loss

	31/12/2024	31/12/2023
Governmental bonds designated - Insurance sector	4 161 005	5 395 401
Egyptian Companies' stocks (listed on the Egyptian Stock Exchange) - Cairo Poultry	369 173	360 553
Investments in mutual funds	670 234	3 834 996
	5 200 412	9 590 950

26- Trade & notes receivable

	31/12/2024	31/12/2023
Trade receivables	59 427 698	85 088 687
Egyptian General Petroleum Corporation	68 172 343	51 860 985
	127 600 041	136 949 672
Notes receivable	8 466 883	14 509 501
Expected credit losses	(4 290 199)	(4 107 418)
	131 776 725	147 351 755

Classified as follows:

Non-current	5 973 035	10 328 333
Current	125 803 690	137 023 422
	131 776 725	147 351 755

27- Other current assets

	31/12/2024	31/12/2023
Insurance with others	12 247 008	13 169 637
Suppliers-advanced payments	11 891 194	26 014 682
Accrued interest income	13 029 792	2 213 319
Tax authority	9 304 092	12 851 081
Accounts receivable from insurance	2 180 754	10 794 720
Prepaid expenses	3 241 934	2 468 811
Due from building materials industries Co.	1 920 446	2 153 646
Insurance and reinsurance Companies	7 425 467	1 896 617
Due from Sudapet Co.	1 411 896	796 057
Deposits with Customs Authority	452 145	194 672
Employees' custodies and loans	865 742	558 200
Due from Egyptian Hydrocarbon Co.	500 000	500 000
Loans guaranteed by individuals' insurance policies	107 088	160 538
Refunded networks costs from the corporation	-	108 324
Other debit balances	7 502 744	11 330 349
	72 080 302	85 210 653
Expected credit losses	(5 124 850)	(4 958 825)
	66 955 452	80 251 828

28- Cash and cash equivalents.

	31/12/2024	31/12/2023
Banks – current accounts	52 257 478	76 547 823

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

Banks – time deposits	93 459 314	125 887 789
Checks under collections	1 443 264	7 845 109
Restricted cash *	127 736 046	104 941 066
Cash on hand	914 309	222 131
	275 810 411	315 443 918
Expected credit losses	(1 267 640)	(2 213 184)
	274 542 771	313 230 734

* Represents the value of restricted deposits to guarantee credit facilities.

For the purpose of preparing the consolidated statement of cash flows, cash & cash equivalents account is represented as follows:

	31/12/2024	31/12/2023
Cash and cash equivalents	275 810 411	315 443 918
Investments in Treasury Bills and Bonds with Maturities of Three Months from Acquisition Date	45 427 827	101 130 784
Restricted cash (*)	(136 730 067)	(104 941 066)
	184 508 171	311 633 636

* Includes an amount of USD 8 994 021 investments in designated treasury bills and government bonds.

29- Share capital and reserves.

- The Company's authorized capital is USD 500 million (Five hundred million USD).
- The issued capital was initially determined amounted to USD 120 million (One hundred & twenty million USD) distributed over 12 million shares at a par value of USD 10 per share. The founders and subscribers through methods other than public subscription have subscribed to 9 million shares at a value of USD 90 million (Only ninety million USD) 3 million shares at USD 30 million (Only thirty million USD) were offered for public subscription and were fully underwritten. The issued capital was fully paid. The issued capital has been increased and the share of the Company was split several times to reach an amount of USD 281 721 321.75 distributed over 1 126 885 287 shares of par value of US Cent 25 each fully paid and has been noted in the commercial register.

30- Legal reserve

The balance represents the value of the legal reserve formed in accordance with the requirements of corporate laws and the Articles of Association of the holding company, the Company is required to set aside 5% of the annual net profit of the Holding Company to form the legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital of the Holding Company. The reserve is not distributable. However, it can be used to increase the share capital or offset losses.

31- Other reserves

	31/12/2024	31/12/2023
Fair value reserve	(11 882 858)	(8 954 844)
Translation reserve	(617 493 021)	(440 932 983)
	(629 375 879)	(449 887 827)

Notes to the consolidated financial statements

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All amounts are in US Dollars unless otherwise mentioned.

Fair value reserve

The fair value reserve comprises:

- The cumulative net change in the fair value of equity securities designated at FVOCI; and
- The cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is adjusted by the amount of loss allowance.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

32- Treasury shares

- During the year, treasury shares of the holding company amounting to 17 474 470 shares were purchased at a cost of USD 14 510 320.
- During the year, treasury shares of the holding company amounting to 12 229 537 shares treasury were sold at a cost of USD 9 979 722 and the result of the sale was loss by an amount of USD 249 942.

33- Loans and bank facilities

	<u>31/12/2024</u>	<u>31/12/2023</u>
Loans	275 795 999	343 373 726
Facilities	302 133 692	278 886 097
Accrued interest on loans and facilities	5 102 733	9 060 954
	<u>583 032 424</u>	<u>631 320 777</u>

Classified as follows:

Non-current	369 990 519	375 902 034
Current	213 041 905	255 418 743
	<u>583 032 424</u>	<u>631 320 777</u>

33-1 Loans

	<u>Currency</u>	<u>Loan Amount</u>	<u>Maturity Date</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
<u>Egypt Kuwait Holding Company</u>					
Loan secured against investment portfolio	USD	60 000 000	2026-2025	27 147 049	44 497 684
Loan secured against investment portfolio	EGP	3 000 000 000	2025	46 327 852	26 329 737
Loan secured against investment portfolio	USD	200 000 000	2023-2027	129 949 281	164 850 327
Loan secured against investment portfolio	USD	25 000 000	2029-2025	25 199 457	25 187 808
Loan secured against investment portfolio	EGP	209 014 000	2024	-	7 511 830
<u>Al Watania for Electric Technology Co (Kahraba)</u>					
Unsecured loan	EGP	14 567 821	2022-2026	642 284	1 902 780
Unsecured loan	EGP	4 532 211	2022-2027	1 840 174	3 638 825
Unsecured loan	EGP	9 064 422	2023-2024	-	2 034 298
<u>National Gas Company (NATGAS)</u>					
Unsecured loan	EGP	6 312 723	2024	-	3 842 822
C/F				<u>231 106 097</u>	<u>279 796 111</u>

Notes to the consolidated financial statements

for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

	<u>Currency</u>	<u>Loan Amount</u>	<u>Maturity Date</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
B/F				231 106 097	279 796 111
<u>AD ASTRA</u>					
Loan secured against real estate mortgage on acquired assets	EUR	16 775 120	2036	11 447 482	12 918 334
<u>MOG Energy</u>					
Unsecured loan	USD	13 502 360	2028-2022	11 616 697	12 143 225
<u>Asprea for Chemicals Co.</u>					
Loan secured against commercial mortgage on financed assets	USD	10 440 625	2026-2022	-	4 487 511
<u>Nile Wood Co.</u>					
Loan secured against real estate and commercial mortgage on financed assets	EGP	53 205 335	2023-2028	26 325 236	41 276 445
<u>Cooling Technology by Natural Gas Co. (Gas Chill)</u>					
Al Ahli Bank of Kuwait loan	EGP	591 111	-	403 220	435 686
Total				280 898 732	351 057 312
<u>Classified as follows: -</u>					
Non-current portion				158 352 528	233 343 528
Current portion				122 546 204	117 713 784
				280 898 732	351 057 312

33-2 Bank Facilities

	<u>Facility Currency</u>	<u>Facility Amount</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
<u>Egypt Kuwait Holding Company</u>				
Unsecured facility	EGP & USD	18 000 000	15 319 336	13 996 427
Facility secured against investment portfolio of a subsidiary company	EGP & USD	50 000 000	8 418 318	14 917 488
Facility secured against financial securities portfolio	USD	110 000 000	90 973 000	40 055 471
Unsecured facility	EGP & USD	30 125 208	29 920 567	30 116 172
Facility secured against financial securities portfolio	EGP	30 000 000	6 046 169	9 426 919
Unsecured facility	USD	1 000 000	328 163	-
Unsecured facility	EGP	400 000 000	142 534	-
<u>National Gas Company (NATGAS)</u>				
Unsecured facility	EGP	1 525 000 000	12 822 504	27 669 183
<u>Sprea Misr for Production of Chemicals and Plastics Co.</u>				
Unsecured facility	EGP	1 700 000	-	36 928
<u>Cooling Technology by Natural Gas Co. (GasChill)</u>				
Facility secured against deposits	EGP	75 000 000	1 467 955	1 263 876
Unsecured facility	EGP	4 000 000	65 565	-
<u>Bedayty for Microfinance Co</u>				
Unsecured facility	EGP	575 000 000	8 569 504	14 709 604
Facility secured against deposits	EGP	635 000 000	9 632 228	10 654 841
<u>Shield Gas Co.</u>				
Unsecured facility	AED	1 000 000	162 282	628 124
C/F			183 868 125	163 475 033

Notes to the consolidated financial statements

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All amounts are in US Dollars unless otherwise mentioned.

	<u>Facility Currency</u>	<u>Facility Amount</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
B/F			183 868 125	163 475 033
<u>OGI Capital Limited</u>				
Facility secured against investment portfolio	USD	103 500 000	100 346 528	100 814 183
<u>Al Watania for Electric Technology Co (Kahraba)</u>				
Unsecured facility	EGP	925 000 000	2 619 211	15 971 458
<u>Bawabet El Kwauit</u>				
Facility secured against investment portfolio	USD	16 000 000	13 298 703	-
<u>El Fayoum Gas Co. S.A.E.</u>				
Facility secured against investment portfolio	EGP	425 000 000	2 001 125	-
			302 133 692	280 263 465
			211 637 990	142 558 506
<u>Classified as follows: -</u>				
Non-current			90 495 702	137 704 959
Current			302 133 692	280 263 465

- The above-mentioned secured loans are subject to specific covenants.
- Most interest rates on loans and credit facilities are based on SOFR, LIBOR, or the borrowing rate announced by the Central Bank of Egypt (Corridor), plus a margin.

The movement of loans and credit facilities during the year is as follows:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Balance at the beginning of the year	631 320 777	637 581 721
Proceeds from loans and credit facilities	515 383 116	430 496 346
Finance costs	61 666 234	66 465 595
Payment of loans and credit facilities	(545 109 036)	(420 197 533)
Foreign currency translation differences capitalized on fixed assets and projects under construction	-	(5 199 384)
Capitalized loan interest on projects under construction	3 040 981	-
Foreign currency translation differences	(83 269 648)	(77 825 968)
Balance at end of the year	583 032 424	631 320 777

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for the financial year ended December 31, 2024

All amounts are in US Dollars unless otherwise mentioned.

34- Suppliers, contractors, notes payable & other creditors.

	31/12/2024	31/12/2023
Suppliers and contractors	52 012 940	47 792 757
Notes payable	16 492 834	5 213 805
Accrued expenses	22 808 397	30 105 136
Customers – Advance payments	34 173 777	62 711 073
Nile Pet Company	8 557 819	15 476 869
National Egyptian Authority for Petroleum	6 580 245	6 194 306
Deposits for others	11 646 808	12 418 680
Insurance and reinsurance Companies	6 623 173	7 939 600
Financing from non- controlling interests	11 660 288	10 307 852
Dividends payable-non-controlling interests	10 522 428	9 036 569
Tax authority	4 624 179	7 998 235
Zakat Foundation and the Foundation for Scientific Advancement	2 130 612	4 050 538
Deferred revenue	1 232 954	2 375 096
Employees' accruals	7 829 397	8 695 545
Property, plant and equipment creditors	-	406 051
Dividends payable	1 196 640	1 196 640
Collected installments	600 177	1 070 285
Insured current account	1 489 640	793 388
Other credit balances	14 855 921	20 823 967
	215 038 229	254 606 392
<u>Classified as follows:</u>		
Non-current	1 671 166	4 877 492
Current	213 367 063	249 728 900
	215 038 229	254 606 392

35- Deferred tax**35-1 Deferred tax liabilities**

	31/12/2023	Income tax expense (benefit)	Foreign exchange	31/12/2024
Property, plant and equipment, and projects under construction	12 265 379	(841 342)	(3 625 420)	7 798 617
Goodwill	871 063	86 794	(351 154)	606 703
Right of use assets	271 890	(439 603)	(153 773)	(321 486)
Other current assets	(569 971)	385 070	97 471	(87 430)
Unrealized forex	606 271	2 493 797	(1 125 389)	1 974 679
Tax losses	(1 215 151)	486 049	456 634	(272 468)
Undistributed dividends	6 401 344	613 543	-	7 014 887
Provisions	(9 839)	(2 342 479)	15 580	(2 336 738)
	18 620 986	441 829	(4 686 051)	14 376 764

35-2 Unrecognized deferred tax assets

35-3 Deferred tax assets related to temporary differences have not been recognized except as recognized, due to the lack of an appropriate degree of certainty that there are sufficient future taxable profits from which these assets can benefit from.

Notes to the consolidated financial statements

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35-4Deferred tax liabilities for undistributed dividends

Deferred tax liabilities had been recognized related to the temporary differences of the undistributed dividends of some entities, however it had not been recognized for the other entities based on the following:

First: Most of the undistributed retained earnings for those companies do not have a distribution tax, as they are related to profits generated in exempt companies (companies under the free zone system and companies outside Egypt).

Second: Regarding the undistributed earnings of companies' subject to the distribution tax in Egypt, the management of the holding company controls the timing of disbursing these distributions, and the applied policy is to keep all the distributable earnings to be reinvested instead of resorting to financing as a result of the high interest rates.

Thus, there is no possibility of making dividends in the foreseeable future.

Accordingly, the group's policy, according to EAS No. (24) "Income tax", is to recognize the deferred tax related to the earnings expected to be distributed within the limits of the distribution tax on the amounts that are planned to be distributed by the holding company in the coming years.

36- Insurance policyholders' rights

	31/12/2024	31/12/2023
Technical provisions for individual's insurance	36 358 271	54 203 174
Technical provisions for property and liability insurance	16 631 776	23 420 941
Policyholders' rights for investments units	4 161 005	5 395 401
Provision for outstanding claims	589 488	445 527
	57 740 540	83 465 043

37- Provisions

	Provisions for retention	Other Provisions*	Total
Opening balance	10 724	56 668 387	56 679 111
Formed during the year **	-	4 365 907	4 365 907
Used during the year	-	(845 948)	(845 948)
No longer required	(5 689)	(9 912 491)	(9 918 180)
Provisions reclassified within accrued expenses	-	(1 916 673)	(1 916 673)
Foreign currency	(3 952)	(6 219 045)	(6 222 997)
Ending balance	1 083	42 140 137	42 141 220

* The management believes disclosing certain information related to the provision recognized would negatively impact the Company's position business negotiation.

**The provisions formed during the year include an amount of USD 27 164 recognized in the cost of revenue.

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38- Subsidiary Companies

Main subsidiaries are represented in the following:

	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/12/2024	31/12/2023
<u>Companies under direct control</u>					
International Financial Investments Co. S.A. E	Other	Diversified investment	Egypt	100	100
Bawabat Al Kuwait Holding Co.– S.A.K	Fertilizers and chemicals	Diversified investment	Kuwait	94,68	94,67
Delta Insurance Co.	Insurance	Insurance	Egypt	63.39	63.39
Globe for Communication and Information Technology Co.	Other	Telecommunications services	Egypt	99	99
Globe Telecom	Other	Telecommunications services	Egypt	100	100
ECO for Industrial Development Co.	Other	Industrial development	Egypt	100	100
MAT Company for Trading	Other	Trade and agencies	Egypt	100	100
EKHN B.V.	Other	Diversified investment	Netherlands	100	100
Global MDF Industries B.V.	Wood manufacturing	Diversified investment	Netherlands	83.8	83.8
EK Microfinance	Other	Investing in non-banking financial services	Netherlands	100	100
Kahraba B.V	Other	Diversified investment	Netherlands	100	100
Sprea B.V.	Other	Diversified investment	Netherlands	100	100
Natenergy B.V.	Other	Diversified investment	Netherlands	100	100
Upstream B.V.	Other	Diversified investment	Netherlands	100	100
Cooling B.V.	Other	Diversified investment	Netherlands	100	100
Mega Me for Trade Co.	Other	Trade and retail	Egypt	100	100
OGI Capital - Limited Liability Co.- Free Zone - Jebel Ali	Other	Diversified Investment	UAE	100	100
Egypt Kuwait Advanced Co. For Operation and Maintenance	Energy	Gas distribution and delivery	KSA	100	100
Advanced Gas Pipelines Company	Energy	Gas distribution and delivery	KSA	51	51
Al Sharq Advanced Fertilizers Company	Fertilizers and chemicals	fertilizer manufacturing	KSA	51	51

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	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/12/2024	31/12/2023
<u>Subsidiaries of International Financial Investments Co.</u>					
Sprea Misr for Production of Chemicals & Plastics Co. S.A. E	Fertilizers and chemicals	Chemicals and plastics production	Egypt	-	100
Egyptian Company for Petrochemicals S.A.E	Fertilizers and chemicals	Chemicals and plastics	Egypt	100	100
National Energy Co. S.A. E	Energy	Investment in energy sector	Egypt	100	100
El Fayoum Gas Holding Company	Energy	Investment in energy sector	Virgin Islands	100	100
Midor Suez Oil Refining Co. (Under liquidation)	Energy	Investment in energy sector	Egypt	100	100
NSCO INVESTMENT LIMITED Company	Energy	Investment in Natural gas exploration and production	Cayman Islands	99.9993	99.9993
BKH Megan	Other	Diversified Investment	Cayman Islands	100	100
National Gas Company (NATGAS) S.A. E	Energy	Gas distribution and delivery	Egypt	-	83.98
Nahood International Limited Co.	Other	Investments in Cement sector	UAE	60	60
Solidarity Mena Limited Co.	Other	Diversified investment	UAE	100	100
Solidarity International Limited Co.	Other	Diversified investment	UAE	100	100
Solidarity group limited Co.	Other	Diversified investment	UAE	100	100
MEA Investments Co.	Other	Diversified investment	UAE	100	100
Africa Netherlands Energy B. V	Other	Diversified investment	Netherlands	100	100
IFIC Petrochemicals Co.	Other	Diversified investment	Cayman Islands	100	100
Henosis for Construction & Real-Estate Development	Other	Logistic services	Egypt	100	100
Capital Investment Limited Luxembourg Co.	Other	Diversified investment	Luxembourg	100	100
AD ASTRA REAL ESTATE, S.L. Co.	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO MISR, S.L. Co.	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO ALCAZAR, S.L. Co.	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO CAIRO, S.L. Co.	Other	Real estate investment	Spain	100	100

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All amounts are in US Dollars unless otherwise mentioned.

	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/12/2024	31/12/2023
SISTEMAS INDUSTRIALES SALGAR II S.L	Other	Real estate investment	Spain	100	100
AD ASTRA PROYECTO MEDINA, S.L. Co.	Other	Real estate investment	Spain	100	100
Madero Real Estate, S.L.	Other	Real estate investment	Spain	51	51
Gas Serve Co.	Energy	Gas services	Egypt	100	100
Shield Gas Systems – Dubai	Energy	Gas distribution services	UAE	100	100
Shield Gas Systems – Abu Dhabi	Energy	Gas distribution services	UAE	100	100
Shield Trading – Abu Dhabi	Energy	Gas distribution services	UAE	100	100
Al Deraa Gas Bottling and Distribution – Dubai	Energy	Gas distribution services	UAE	100	100
EEK Investment Holding LTD Co.	Energy	Investment in gas distribution services	UAE	100	100
International Fertilizer trading Co.	Other	Investments in fertilizer sector	Cayman Islands	100	100
NSCO Investment INC Co.	Energy	Investment in natural gas exploration and production	Panama	100	100
Polar Star Investment INC	Other	Diversified investment	Panama	100	100
IFIC Global Co.	Energy	Gas Investments	Cayman Islands	100	100
Africa Energy Limited	Other	Diversified investment	Cayman Islands	100	100
EK Infrastructure Investments	Other	Diversified investment	Cayman Islands	100	100
ETI Investments Limited	Other	Diversified investment	Virgin Islands	100	100
EGI Investments Limited	Other	Diversified investment	Virgin Islands	100	100
<u>Subsidiary of Solidarity Group Ltd.</u>					
MOG Energy Co.	Energy	Petrol and gas	Egypt	81.30	81.30
<u>Subsidiaries of MOG Energy Co.</u>					
TOSS Limited	Energy	Petrol and gas	Cayman	86,55	86,55
SSTO Company	Energy	Petrol and gas	Cayman	51,93	51,93
Tri Ocean Dar Holding	Energy	Petrol and gas	Cayman	86,55	86,55
Tri-Ocean Exploration & Production	Energy	Petrol and gas	Cayman Islands	51,93	51,93
Tri Ocean for Drilling and Oil Services Company	Energy	Petrol and gas	Egypt	81,30	81,30
Tri-Ocean Mgan Company	Energy	Petrol and gas	Cayman	81,30	81,30
Tri Ocean Marine Company	Energy	Petrol and gas	Cayman	81,30	81,30
Tri-Ocean Carbon	Energy	Petrol and gas	Egypt	81,30	81,30

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	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/12/2024	31/12/2023
Tri-Ocean Levant Company	Energy	Petrol and gas	Cayman	81,30	81,30
Tri Ocean for Trading Petrochemicals	Energy	Petrol and gas	Egypt	81,30	81,30
Tri-Ocean Mediterranean Limited	Energy	Petrol and gas	Cayman Islands	81,30	81,30
Tri-Ocean West Gebel El Zeit	Energy	Petrol and gas	Cayman Islands	81,30	81,30
<u>Subsidiaries of NSCO Investment Limited</u>					
Polar Star Investments Limited	Energy	Investment in natural gas exploration and production	Cayman Islands	99.9994	99.9994
TONS	Energy	Investment in natural gas exploration and production	Cayman Islands	99.9994	99.9994
Perenco Resources Egypt Limited	Energy	Investment in natural gas exploration and production	Bermuda Islands	99.9994	99.9994
Perenco North Sinai Oil Company Limited	Energy	Investment in natural gas exploration and production	Liberia	99.9994	99.9994
Perenco North Sinai Petroleum Company Inc.	Energy	Investment in natural gas exploration and production	Bahamas	99.9994	99.9994
Perenco North Sinai Gas Company limited	Energy	Investment in natural gas exploration and production	Bahamas	99.9994	99.9994
<u>Subsidiary of Globe</u>					
Globe for Trading & Agencies Co.	Other	Trade and agencies	Egypt	100	100
<u>Subsidiaries of National Gas Co. Natgas</u>					
Al Watania for Electric Technology Co (Kahraba) S.A.E.	Energy	Electricity generation and distribution	Egypt	-	96.16
Egypt Kuwait Investments Holding Limited Co.	Energy	Diversified Investment	UAE	83.98	83.98
Kahraba Future Co.	Energy	Electricity generation and distribution	Egypt	-	96.16
Gas Line Co.	Energy	Gas distribution & delivery	Egypt	83.98	83.98
<u>Subsidiaries of BKH</u>					
Middle East for River Transport Co.- S.A.E (Under liquidation)	Other	River Transportation	Egypt	100	100
Mert Holding	Other	Sea Transportation	Virgin Islands	100	100
BMIC Holding	Other	Investment in Cement sector	Cayman Islands	100	100

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	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/12/2024	31/12/2023
<u>Subsidiaries of National Energy Company</u>					
Cooling Technology by Natural Gas Co. (Gas Chill)	Other	Natural gas refrigeration technology	Egypt	85.99	85.99
El Fayoum Gas Co.	Energy	Gas distribution	Egypt	77.99	77.99
Technology Gas Co. GoGas	Energy	Natural gas distribution & delivery	Egypt	99.20	99.20
<u>Subsidiaries of Bawabat Al Kuwait Holding Co.</u>					
Alex Fert Co.	Fertilizers and chemicals	Fertilizer manufacturing	Egypt	75,33	75,33
International Logistics Co. S.A.K	Fertilizers and chemicals	Fertilizer investments	Kuwait	94.67	94.67
Polar Star Investments Co.	Fertilizers and chemicals	Diversified investment	UAE	75,33	75,33
<u>Subsidiary of Egyptian Company for Petrochemicals</u>					
El Shorouk for Melamine and Resins Co.	Fertilizers and chemicals	Production of melamine products and resins	Egypt	95.05	95.05
<u>Subsidiaries of Global</u>					
Cairo Wood for Imports and Exports Co.	Wood Manufacturing	Wood trading	Egypt	83.8	83.8
Nile Waste Co.	Wood Manufacturing	Recycle agricultural waste	Egypt	83.8	83.8
Nile Wood Co.	Wood Manufacturing	Wood Manufacturing	Egypt	83.8	83.8
Eco for Agricultural Development	Wood Manufacturing	Reclamation and cultivation of tree forests	Egypt	83.8	83.8
<u>Subsidiary of Sprea Misr for Production of Chemicals & Plastics Co.</u>					
Asprea for Chemicals Co. (S.A.E.)	Fertilizers and chemicals	Chemicals and plastics	Egypt	100	100
<u>Subsidiary of EKH Microfinance Co.</u>					
Bedayti for Microfinance Co.	Others	Microfinancing	Egypt	100	100
Bedayaty for Consumer Finance Co.	Others	Consumer Financing	Egypt	100	100
<u>Subsidiary of Sprea B.V.</u>					
Sprea Misr for Production of Chemicals & Plastics Co. S.A.E	Fertilizers and chemicals	Chemicals and plastics production	Egypt	100	-

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	Sector	Company Nature	Country of Incorporation	Direct and indirect Ownership %	
				31/12/2024	31/12/2023
<u>Subsidiary of Natenergy B.V.</u>					
National Gas Company (NATGAS) S.A.E	Energy	Gas distribution and delivery	Egypt	83.98	-
Al Nubaria for Natural Gas Co. S.A.E.	Energy	Gas delivery	Egypt	83,98	-
El Fayoum Gas Co.	Energy	Gas delivery	Egypt	77,99	-
<u>Subsidiary of Kahraba B.V.</u>					
Al Watania for Electric Technology Co (Kahraba) S.A.E.	Energy	Electricity generation and distribution	Egypt	100	-
<u>Subsidiary of Al Watania for Electric Technology Co (Kahraba)</u>					
Kahraba Future Co.	Energy	Electricity generation and distribution	Egypt	100	-

39- Transactions with related parties

Related parties are represented in the Parent Company and its subsidiaries' shareholders, and Companies in which they directly own shares giving them significant influence or control over the Group as well as the board members of the group companies. The Group's companies carry out several transactions with related parties and these transactions are carried out in accordance with the terms determined by the Board of Directors of these companies. There were no significant transactions with related parties during the year.

40- Dividends approved, and board of directors' remuneration.

On March 31, 2024 the shareholders of the Parent Company approved shareholders cash dividends for the financial year ended December 31, 2023 of 6 Cent/share with a total amount of USD 67 592 622, the remunerations for the board of directors amounting to USD 7 123 742 and employees dividends amounting to USD 1 064 287, During the year ,the general assembly meeting for some subsidiaries approved the remunerations for its' board of directors and employees dividends amounting to USD 23 362 587 (The group's share is amounting to USD 19 205 409).

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for the financial year ended December 31, 2024

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41- Financial instruments**A) Accounting classifications and fair values of financial assets**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2024	Note No.	Book value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value						
Investments at fair value through other comprehensive income - equity instruments	(22)	3 807 777	3 807 777	-	-	3 807 777
Investments at fair value through profit or loss	(25)	5 200 412	5 200 412	-	-	5 200 412
Biological assets	(19)	1 800 978	-	-	1 800 978	1 800 978
		10 809 167	9 008 189	-	1 800 978	10 809 167
Financial assets other than at fair value						
Trade and notes receivable	(26)	131 776 725	-	-	-	-
Cash and cash equivalent	(28)	274 542 771	-	-	-	-
Financial assets at amortized cost	(23)	335 084 644	-	-	-	-
Other current assets	(27)	66 955 452	-	-	-	-
		808 359 592	-	-	-	-
Financial liabilities other than at fair value						
Loans and bank facilities	(33)	583 032 424	-	-	-	-
Lease liabilities	(18)	6 513 841	-	-	-	-
Suppliers, contractors, notes payable and other creditors	(34)	215 038 229	-	-	-	-
		804 584 494	-	-	-	-

31 December 2023	Note No.	Book value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value						
Investments at fair value through other comprehensive income - debt instruments	(22)	23 359 320	23 359 320	-	-	23 359 320
Investments at fair value through other comprehensive income - equity instruments	(22)	7 775 917	3 775 917	-	4 000 000	7 775 917
Investments at fair value through profit or loss	(25)	9 590 950	9 590 950	-	-	9 590 950
Biological assets	(19)	2 256 495	-	-	2 256 495	2 256 495
		42 982 682	36 726 187	-	6 256 495	42 982 682

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Financial assets other than at fair value

Trade and notes receivable	(26)	147 351 755	-	-	-	-
Cash and cash equivalent	(28)	313 230 734	-	-	-	-
Financial assets at amortized cost	(23)	478 817 519	-	-	-	-
Other current assets	(27)	80 251 828	-	-	-	-
		1 019 651 836	-	-	-	-

Financial liabilities other than at fair value

Loans and bank facilities	(33)	631 320 777	-	-	-	-
Lease liabilities	(18)	9 041 863	-	-	-	-
Suppliers, contractors, notes payable and other creditors	(34)	254 606 392	-	-	-	-
		894 969 032	-	-	-	-

B) The following tables show the valuation techniques used in measuring Level 1 and Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

	Valuation technique	Significant unobservable inputs
Financial assets at fair value through other comprehensive income - debt instruments	Market comparison technique: The fair value was determined based on published prices in financial markets.	Not applicable
Financial assets at fair value through other comprehensive income - equity instruments	Market comparison technique: The fair value was determined based on published prices in financial markets.	Not applicable
Financial assets at fair value through profit or loss	Market comparison technique: The fair value was determined based on published prices in financial markets.	Not applicable
Biological assets	Cost approach and discounted cash flows: The biological assets were classified in the third level of the fair value model based on the inputs of the valuation methods used.	The cost approach and discounted cash flow were followed: The group takes into account both techniques and reconciles and balances the weight of estimates under each technique based on its assessment of the judgment of its staff specialized in the agriculture sector. The cost approach takes into account all the costs incurred in agriculture, including the cost of infrastructure, planting, buying seeds, sowing seeds while estimating the profit from the activity. The discounted cash flows takes into account the present value of net cashflows expected to be generated by the agricultural activity at maturity, and the additional biological transformation expected and growth related risk The net expected cashflows were discounted using the risk adjusted discount rates.

Notes to the consolidated financial statements

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Investments at fair value through other comprehensive income - equity instruments

Discounted cash flows:

The recoverable amount of this CGU was based on fair value less cost of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

The values assigned to the key assumptions represent management's assessment of based on historical data and external trusted sources.

Discount rate	16%
Terminal value growth rate	3%
Budgeted EBITDA growth rate (average of next five years)	3%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital, with a possible debt leveraging of 18 % and cost of debt before tax 9.7% and cost of debt after tax 7.5%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows: Sales volumes for the next five years were projected based on their average increase over the past five years. This is in line with market expectations of demand for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years

C) Sensitivity Analysis

An increase (decrease) of 1% in the price of financial securities included as at 31 December would've had the following effect on measurement of financial assets:

31 December 2024

Item	Effect on equity		Effect on profit or loss	
	Increase	Decrease	Increase	Decrease
Investments at fair value through other comprehensive income - equity instruments	38 078	(38 078)	-	-
Investments at fair value through profit or loss	52 004	(52 004)	52 004	(52 004)

31 December 2023

Item	Effect on equity		Effect on profit or loss	
	Increase	Decrease	Increase	Decrease
Investments at fair value through other comprehensive income - debt instruments	233 593	(233 593)	-	-
Investments at fair value through other comprehensive income - equity instruments	77 759	(77 759)	-	-
Investments at fair value through profit or loss	95 910	(95 910)	95 910	(95 910)

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42- Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Other market prices risk

This disclosure presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Parent Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Parent Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base including the default risk of the industry has less an influence on credit risk.

The Group Management has established credit policies under which each new customer is analyzed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment basis. No previous impairment loss was resulted from transactions with trade receivables.

Investments

The Group limits its exposure to credit risk by only investing in active and liquid securities. Management does not expect any counterparty to fail to meet its obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group'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 Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates

Notes to the consolidated financial statements**for the financial year ended December 31, 2024****All amounts are in US Dollars unless otherwise mentioned.**

and equity prices will affect the Group'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.

Currency risk

The Group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Egyptian Pound.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge, and no derivatives are entered into.

The Company's investments in other subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

Interest rate risk

The Group adopts a policy of ensuring that the exposure to changes in interest rates on borrowings is on fixed rate basis. The Company does not enter into interest rate swap.

Other market prices risk

Equity price risk arises from equity instruments measured at fair value through other comprehensive income and management of the Group monitors the equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Parent Company.

The primary goal of the Group's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated as held for trading investments because their performance is actively monitored, and they are managed on a fair value basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the consolidated financial statements' date are as follows:

	31/12/2024	31/12/2023
Other current assets	56 947 174	56 727 160
Investments at fair value through other comprehensive income	3 807 777	31 384 900
Financial assets at amortized cost	336 546 799	480 536 253
Trade & notes receivable	136 066 924	151 459 173
Cash and cash equivalent	274 896 102	315 221 787
	808 264 776	1 035 329 273

The maximum exposure to credit risk for trade receivables at the consolidated financial statements date according to the type of customer are as follows:

	31/12/2024	31/12/2023
Governmental customers	73 978 005	71 300 374
Retail customers	60 738	369 410
Final consumers customers	53 436 558	64 128 624
Export customers	124 740	1 151 264
Notes receivable	8 466 883	14 509 501
	136 066 924	151 459 173

- **Expected credit loss assessment for trade receivables.**

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The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from S&P.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions according to the expected aging of the receivables.

Scalar factors are based on GDP forecast and industry outlook and include the following:

	2024	2023
Egypt	2.7	4.2
UAE	4	3.5
Kuwait	2.7-	0.9
Switzerland	1.3	0.8

The following table shows information regarding the classification of trade receivables balances according to geographies.

	2024	2023
Egypt	B-	B-
UAE	AA	AA
Kuwait	A+	A+
Switzerland	AAA	AAA

The following table provides information about the exposure to credit risk and ECLs for trade receivables

	Weighted average loss rate	Gross carrying amount	Expected credit loss	Credit impaired
31 December 2024				
Current (not past due)	8 %	118 377 068	(920 001)	No
1–30 days past due	9%	9 335 771	(872 534)	No
31–60 days past due	11%	896 892	(100 696)	No
61–90 days past due	17%	942 717	(161 564)	No
91–120 days past due	19%	1 362 611	(253 308)	No
More than 121 days past due	38%	5 151 865	(1 982 096)	No
		136 066 924	(4 290 199)	
31 December 2023				
Current (not past due)	1.7 %	67 499 698	(1 145 005)	No
1–30 days past due	0.6 %	64 109 390	(370 948)	No
31–60 days past due	0.8%	5 363 921	(448 675)	No
61–90 days past due	14%	4 246 635	(594 429)	No
91–120 days past due	22%	1 325 956	(285 571)	No
More than 121 days past due	14%	8 913 573	(1 262 790)	No
		151 459 173	(4 107 418)	

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- Assessing expected credit loss for debt instruments

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating published by S&P

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, available press and regulatory information about debtors.

12-month and lifetime probabilities of default are based on historical data supplied by S&P for each credit rating and are recalibrated based on current bond yields. Loss given default parameters generally reflect an assumed recovery rate of 55% for sovereign exposures with local or foreign currency and other exposures with local currency and 25% for other exposures with foreign currency. except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

The exposure to credit risk for debt securities at amortized cost, FVOCI and FVTPL at the reporting date by geographic region was as follows.

	2024	2023
Egypt	236 567 382	388 962 950
USA	103 787 194	122 958 203
	340 354 576	511 921 153

The following table presents an analysis of the credit quality of debt securities at amortized cost, and FVOCI. It indicates whether assets measured at amortized cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit impaired.

31 December 2024					
Credit Rating	FVOCI		At amortized cost		Total
	Lifetime ECL – not credit impaired	Lifetime ECL – Credit Impaired	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	
B+ to BB-	-	-	1 462 155	-	1 462 155
31 December 2023					
Credit Rating	FVOCI		At amortized cost		Total
	Lifetime ECL – not credit impaired	Lifetime ECL – Credit Impaired	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	
B+ to BB-	249 664	-	1 718 734	-	1 968 398

- Assessing expected credit loss for cash and cash equivalents

The Group held cash and cash equivalents of USD 275 810 411 as of 31 December 2024 (2023: USD 315 443 918). The cash and cash equivalents are held with bank and financial institution counterparties, the S&P credit rating for the countries in which the counterparties are located are shown in the table below.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis

	2024	2023
Egypt	B-	B
UAE	AA	AA
Kuwait	A+	A+
Switzerland	AAA	AAA

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Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

The amount of impairment allowance on 31 December 2024 is UD 1 267 640 (2023: USD 2 213 184).

Liquidity risk

The following table shows the contractual maturities of financial liabilities at the reporting date.:

31 December 2024

	Carrying amount	Contractual maturity			
		1 year	1 - 2 years	2 - 5 years	More than 5 years
Loans and bank facilities	583 032 424	213 041 905	312 404 113	46 138 924	11 447 482
Suppliers, contractors, notes payable and other creditors*	179 631 498	177 960 332	1 671 166	-	-
Accrued income tax	37 217 531	37 217 531	-	-	-
Insurance policyholders' rights	57 740 540	57 740 540	-	-	-
Lease contracts liabilities	6 513 841	1 135 308	510 905	2 344 321	2 523 307
	864 135 834	487 095 616	314 586 184	48 483 245	13 970 789

31 December 2023

	Carrying amount	Contractual maturity			
		1 year	1 - 2 years	2 - 5 years	More than 5 years
Loans and bank facilities	631 320 777	255 418 743	276 980 895	58 832 353	40 088 786
Suppliers, contractors, notes payable & other creditors	189 520 223	186 039 333	782 989	2 697 901	-
Current income tax	51 945 944	51 945 944	-	-	-
Insurance policyholders' rights	83 465 043	83 465 043	-	-	-
Lease contracts liabilities	9 041 863	1 168 296	2 068 896	2 907 721	2 896 950
	965 293 850	578 037 359	279 832 780	64 437 975	42 985 736

* Customers advance payments and deferred revenue balances are excluded.

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Currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

31 December 2023	USD	EGP	KWD	EUR	GBP	SAR	AED
Cash and cash equivalents	2 075 740	49 049 819	14 668	1 871 166	106 824	843 645	157 492
Other Current assets	-	122 178 013	-	4 993	106 772	-	-
Trade and notes receivables	-	22 466 387	-	-	-	-	-
Loans	-	(1 363 699 214)	-	-	-	-	-
Bank facilities	-	(1 020 638 508)	-	(214 130)	(338 923)	-	-
Suppliers, contractors, notes payable and other creditors	(36 170)	(346 556 418)	-	(585 451)	-	-	-
Accrued income tax	-	(1 077 650 769)	-	-	-	-	-
31 December 2023	USD	EGP	KWD	EUR	GBP	SAR	AED
Cash and cash equivalents	39 814 179	172 843 040	19 721	6 500 381	83 184	242 352	8 505
Financial assets & Investments	23 050 554	384 800 000	-	-	-	-	-
Other Current assets	301 328	131 069 619	-	48 100	71 169	1 531 636	-
Trade and notes receivables	1 643 766	24 946 503	-	-	-	-	-
Loans	(4 403 520)	(1 012 550 897)	-	-	-	-	-
Bank facilities	(5 587 323)	(826 988 083)	-	(75 774)	(370 485)	-	-
Suppliers, contractors, notes payable and other creditors	(3 793 804)	(690 298 687)	-	(164 424)	-	-	-
Accrued income tax	-	(9 995 272)	-	-	-	-	-

The following significant exchange rates have been applied during the year.

USD	Average rate				Spot rate on
	31/3/2024	30/6/2024	30/9/2024	31/12/2024	31/12/2024
EGP	35.81	47.58	48.54	49.54	50.84
KWD	0.31	0.31	0.31	0.31	0.31
EUR	0.92	0.93	0.91	0.94	0.96
GBP	3.67	3.67	3.67	3.67	3.67
AED	0.79	0.79	0.77	0.78	0.80
SAR	3.75	3.75	3.75	3.76	3.76
USD	Average rate				Spot rate on
	31/3/2023	30/6/2023	30/9/2023	31/12/2023	31/12/2023
EGP	30.02	30.89	30.89	30.89	30.89
KWD	0.3063	0.3070	0.3078	0.3086	0.3072
EUR	0.9322	0.9202	0.9185	0.9293	0.9061
GBP	0.8233	0.7994	0.7893	0.8055	0.7854
AED	3.6727	3.673	3.673	3.673	3.673
SAR	3.7545	3.7499	3.7510	3.7505	3.7488

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Sensitivity Analysis

A strengthening (weakening) of the other currencies by 10% against the US dollar on 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

31 December 2024

Item	Effect on equity		Effect on profit or loss	
	Increase	Decrease	Increase	Decrease
EGP	(411 034)	411 034	4 521 590	(4 521 590)
EUR	(211 204)	211 204	(57 416)	57 416
GBP	(15 723)	15 723	(15 723)	15 723
KWD	4 761	(4 761)	4 761	(4 761)
AED	(739 389)	739 389	(1 827)	1 827
USD	203 957	(203 957)	203 957	(203 957)
SAR	(149 826)	149 826	(49 569)	49 569

31 December 2023

Item	Effect on equity		Effect on profit or loss	
	Increase	Decrease	Increase	Decrease
EGP	11 339 118	(11 339 118)	5 978 918	(5 978 918)
EUR	751 739	(751 739)	910 313	(910 313)
GBP	(27 519)	27 519	(27 519)	27 519
KWD	6 419	(6 419)	6 419	(6 419)
AED	(716 378)	716 378	10 165	(10 165)
USD	5 102 573	(5 102 573)	5 102 573	(5 102 573)
SAR	(46 939)	46 939	(49 570)	49 570

Interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	31/12/2024	31/12/2023
Financial assets		
Fixed-rate financial assets	566 750 348	842 461 092
	566 750 348	842 461 092
Financial liabilities		
Fixed-rate financial liabilities	141 051 357	68 907 296
Variable-rate financial liabilities	448 494 907	571 455 344
	589 546 264	640 362 640

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Sensitivity Analysis

An increase (decrease) of 100 basis points in interest rates on 31 December would have affected the measurement of variable-rate financial assets and liabilities by the amounts shown below.

31/12/2024

Item	Effect on equity		Effect on profit or loss	
	Increase	Decrease	Increase	Decrease
Financial liabilities	(4 484 949)	4 484 949	(4 484 949)	4 484 949

31/12/2023

Item	Effect on equity		Effect on profit or loss	
	Increase	Decrease	Increase	Decrease
Financial liabilities	(5 714 553)	5 714 553	(5 714 553)	5 714 553

43- Capital management.

The Group policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business.

Management monitors the return on capital, which the Company defines as net profit for the year divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to shareholders.

The Board of the Parent Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a share capital position.

There were no changes in the Group's approach to capital management during the year; the Company is not subject to externally imposed capital requirements.

The Group monitors its capital using the net debt-to-adjusted equity ratio.

- Net debt is calculated as total liabilities (as presented in the consolidated statement of financial position) minus cash and cash equivalents.
- Adjusted equity includes all equity components except accumulated amounts in hedging reserves and hedging costs.

The Group's net debt-to-adjusted equity ratio as of December 31, 2024, is as follows:

	31/12/2024	31/12/2024
Total Liabilities	956 060 549	1 105 680 116
Less: Cash and Cash Equivalents	(274 542 771)	(313 230 734)
Net Debt	681 517 778	792 449 382
Total Equity	493 164 177	640 047 644
Net Debt-to-Adjusted Equity Ratio	1.38	1.24

44- Capital commitments.

Total capital commitments amounted to USD 21 908 254 as of 31 December 2024, representing contributions to property, plant, equipment and projects under construction and Exploration & development assets which have not been requested to be paid till the consolidated financial position date (2023: USD 36 700 954).

45- Contingent liabilities

In addition to amounts included in the consolidated statement of financial position, there are contingent liabilities represented in the following:

- Uncovered letters of credit amounting to USD 19 088 715 (2023: USD 27 424 927).

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for the financial year ended December 31, 2024

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- Letters of guarantee issued by banks on the account of the Group and in favor of others amounting to USD 5 992 058 (2023: USD 7 445 474).

46- Tax status.**Corporate profit tax**

- The Company had a tax exemption for 5 years according to Investment Law No. 8 of 1997 and that ended on December 31, 2003.
- Tax inspection for year 2009 was carried out and the resulted differences were settled.
- Years from 2010 to 2020, tax inspection was carried out and settlements are currently under process.
- The annual tax returns were submitted on the due date according to the provisions of Law No. 91 of 2005.

Salary tax

- The tax inspection for salary tax for the period from inception till 2021 was carried out and the final assessment was determined and resulting differences were settled.
- The monthly withholding tax is paid on the legal dates.

Stamp tax.

- Inspection for the stamp tax from inception till 2016 was carried out and the final assessment was made, and the Company settled the resulting differences.
- The years from 2017 to 2019 were carried out and the resulted differences were settled
- The tax due is paid on the legal dates.

Property tax

The company has been notified of the accrued tax related to some properties owned by the company till 2024 and the tax was paid, no notifications have been given for the rest of the properties.

47- The Effect of Applying Appendix (C) and Appendix (E) of Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"**47-1 The Effect of Applying Appendix (C) of Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"**

On December 27, 2022, Prime Minister Decision No. 4706 of 2022 was issued to amend some provisions of Egyptian accounting standards represented in the issuance of Appendix C to Egyptian Accounting Standard No. (13), amended in 2015, "The Effects of Changes in Foreign Currency Exchange Rates," which deals with special accounting treatment To deal with the effects of liberalizing foreign exchange rates, this optional special accounting treatment issued in this appendix is not considered an amendment to the amended Egyptian accounting standards currently in force, beyond the time period for the validity of this appendix, **and this treatment is as follows:**

- An establishment that, prior to the abnormal exchange rate movements, may have acquired fixed assets, real estate investments, intangible assets (except for goodwill), exploration and development assets, and/or usufruct assets for lease contracts, funded by existing obligations. date in foreign currencies, to recognize within the cost of those assets the debit currency differences resulting from the settled part of these obligations during the financial period to apply this special accounting treatment, in addition to the currency difference resulting from translating the remaining balance of these obligations at the end of December 31, 2022 or at the end of the day of closing the financial statements for the fiscal period to apply this special accounting treatment, which is extended for application until December 31, 2023.

Notes to the consolidated financial statements**for the financial year ended December 31, 2024****All amounts are in US Dollars unless otherwise mentioned.**

- The application of this treatment has affected the consolidated financial statements for the fiscal year ending on December 31, 2022, as additions to projects under construction during the year 2022 include an amount of USD 8.77 million resulting from the revaluation of a loan balance in foreign currency that was used to finance the purchase of projects under construction. During the period, additions to projects under implementation and fixed assets include an amount of USD 5.199 million resulting from the revaluation of a loan balance in foreign currency that was used to finance the purchase of those assets.

47-2 The Effect of Applying Appendix (E) of Egyptian Accounting Standard No. (13) “The Effects of Changes in Foreign Exchange Rates”

On May 23, 2024, prime minister's Decision No. 1711 of 2024 was issued to amend some of the provisions of the Egyptian accounting standards No. 13 "the effects of changes in foreign currency exchange rates" added to appendix (E) of the Egyptian accounting standard mentioned above. This is to establish special, optional accounting treatments through which the implications can be dealt with Extraordinary decisions of the Central Bank, especially amending the foreign exchange rate on the financial statements of the facility whose statements were affected. Finance negatively changes the exchange rate. This optional special accounting treatment issued in this appendix is not considered an amendment to the standards. The amended Egyptian Accounting Standard is currently in effect, hereafter the period for the effectiveness of this Appendix. The group's management has implemented the temporary option mentioned in Paragraph (3B) of this Appendix, **and this treatment is as follows:**

An establishment that, prior to the date of edit the exchange rate, may acquire fixed assets and/or real estate investments and/or exploration and development assets and/or intangible assets (other than goodwill) and/or right of use assets for lease contracts, funded by existing obligations in that date in foreign currencies, to recognize within the cost of those assets the debit currency differences resulting from the settled part of these obligations during the financial period to apply this special accounting treatment. In addition to the currency difference resulting from translating the remaining balance of these obligations at the end of March 6, 2024 or on the end of the closing date of the financial statements for the fiscal period to apply this accounting treatment using the exchange rate used on that date. The facility can apply this option for each asset separately.

- The application of this treatment has affected the consolidated financial statements for the fiscal year ending on December 31, 2024, as additions to projects under construction include an amount of USD 2.06 million resulting from the revaluation of a loan balance in foreign currency that was used to finance the purchase of those assets.

48- Significant accounting policies applied

The Group has consistently applied the following accounting policies during all financial periods presented in these consolidated financial statements.

48-1 Basis of consolidation

Business combinations

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group. When the acquired group of activities and assets fulfils the business and control is transferred to the group when determining whether the group of activities and assets constitutes a commercial activity. The group assesses whether the acquired group of assets and activities includes, as a minimum, substantial inputs and operations, and whether the acquired group has the ability to produce outputs.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Acquisition costs (Transaction costs) are expensed as incurred and services received, except if related to the issue

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of debt or equity securities.

- The consideration transferred does not include amounts related to the settlement of pre-existing relationships between the acquirer and acquired entity. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries controlled are included in the consolidated financial statements from the date that control on which control commences until the date that control ceases.

Non-controlling interests

NCI are measured initially at their proportionate share of the acquirer's identifiable net acquired assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interests retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity – accounted investees

The Group's equity-accounted investees comprise interests in associates Companies and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee's Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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48-2 Foreign currency**Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- 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.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US Dollar at the exchange rates at dates of the transactions. Foreign currency differences are recognized in OCI items and the accumulated balance in the translation differences reserve, excluding the translation differences allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated income statement.

48-3 Discontinued operation

Discontinued operations are a component of the Group's business, and its operations and cash flows can be clearly distinguished from the rest of the Group, which:

- Represents a separate major line of business or geographic area of operations.
- Part of a single coordinated plan to dispose of a separate or geographic major line of business Operations area or
- It is a subsidiary that has been acquired exclusively for the purpose of resale.

Classification of a discontinued operation is achieved upon disposal or when the operation meets the requirements for classification as held for sale, whichever is earlier.

When the operation is classified as a discontinued operation, the comparative figures in the statement of income and other comprehensive income are adjusted as if the operation had been disposed of from the beginning of the comparative year.

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48-4 Revenue recognition

Revenue from contracts with customers is recognized by the group based on five steps module as identified in EAS No. 48:

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Group expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Group will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Group expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The Group satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

- Group performance does not arise any asset that has an alternative use of the Group and the Group has an enforceable right to pay for completed performance until the date.
- The Group arise or improves a customer-controlled asset when the asset is arise or improved.
- The customer receives and consumes the benefits of Group performance at the same time as soon as the group has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Group satisfies performance obligation.

When the Group satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Group, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. 48 requires management to use the following judgements:

Satisfaction of performance obligation

The Group should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Group estimated that, and based on the agreement with customers, the Group does not arise asset has alternative use to the Group and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the Group recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The Group has to determine the price of the transaction in its agreement with customers, using this judgement, the Group estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

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Control transfer in contracts with customers

If the Group determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

In addition, the application of Egyptian Accounting Standard No. 48 has resulted in:

Allocation of the transaction price of performance obligation in contracts with customers

The Group elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Group considers the use of the input method, which requires recognition of revenue based on the Group's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Group estimates efforts or inputs to satisfy a performance obligation, in addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other matters to be considered

Variable consideration if the consideration pledged in a contract includes a variable amount, then the Group shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Group estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. this method is applied consistently throughout the contract and for identical types of contracts.

The significant funding component

The Group shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

Revenue recognition**Sale of goods revenue**

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. For export sales, transfer of risks and rewards of the goods sold occurs according to the shipping terms.

Services revenue

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.

Gas lines conversion revenue

The company bears the risks of exploration and will recognize its share of gas as revenue (cost and revenue) only when the gas is produced and sold.

The entity records revenue only when gas production commences and only up to the amount of gas it is entitled to obtain and sell. Therefore, the gas extracted on behalf of the government is not revenue or production cost. The company acts as an agent for the government to extract and deliver the gas or sell the gas and transfer the revenues.

Any surplus in gas cost recovery over the actual recoverable cost and carried balances (excess petroleum recovery costs) must be reimbursed by the contractor members to the General Petroleum Authority, or it is distributed between the General Petroleum Authority and the contractor members on the same incremental scale as the "profit" remaining from oil production. Revenues are presented in the financial statements net of excess gas recovery costs.

Gas lines conversion revenue

Revenue is recognized when gas is delivered to the customer.

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Gas distribution commissions revenue

Revenues from operation of network and gas distribution are recognized in the light of amounts distributed to customers and the agreed upon prices and in some areas, commission are recognized according to the actual commission, or the minimum take commission whichever is greater.

Sale of electricity revenue

Revenue is recognized when the service is completely rendered, and issuance of customers' electricity consumption invoices.

Rental income

Rental income is recognized on a straight-line basis over the lease term.

Gain on sale of investments

Gain on sale of financial investments is recognized when ownership transfers to the buyer, based on the difference between the sale price and its carrying amount at the date of the sale.

48-5 Employee benefits**Employees' pension**

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Group's liability is confined to the amount of its contribution. Contributions are charged to the consolidated statement of profit or loss using the accrual basis of accounting.

Some Companies within the Group contribute to the Group Insurance plan for the benefit of their employees at an insurance Company. According to this plan, employees are granted end of service benefit on retirement, death and full disability during the service years. End of service benefits are repayable by the insurance company. The Companies contribution is confined to the annual insurance premiums. The Group contributions are charged to the consolidated statement of profit or loss as they are incurred according to accrual basis of accounting.

48-6 Finance income and costs

The Group's finance income and finance costs include:

- Interest income.
- Interest expense.
- Dividends
- Net gain or loss on disposal of investments in debt securities measured at FVOCI
- Net gain or loss on financial assets at FVTPL.
- Foreign currency gains or losses from financial assets and financial liabilities. Impairment losses (and recoveries) on investments in debt securities carried at amortized cost or other comprehensive income.
- Fair value loss on the contingent consideration classified as a financial liability.
- Ineffective hedge recognized in profit or loss. And
- Reclassification of net gains and losses previously recognized in other comprehensive income on cash flow hedges of interest rate risk and foreign currency risk

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The carrying amount of the financial asset; or

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- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

48-7 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax liabilities, do not meet the definition of income taxes and are therefore accounted for under EAS 28 Provisions, Contingent Liabilities and Contingent Assets.

Current income tax

Current taxes for the current and prior periods which have not yet been paid are recognized as a liability. If the taxes were actually paid in the current and prior periods exceed the amount due for these periods, then this increase is recognized as an asset. The value of current tax liabilities (assets) for the current and prior periods are measured by the value expected to be paid to (recovered from) the tax authority. Using the applicable tax rates (and effective tax laws) or in the process of being issued on the financial period ended. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognized for all temporary differences that are expected to be taxed except for the following:

- Temporary differences in the initial recognition of assets and liabilities in a transaction that is not a business combination and that does not affect accounting or taxable profits or losses.
- Temporary differences relating to investments in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits that allows for the deferred tax asset to be absorbed.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying

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amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

48-8 The General Authority for Investment and Free Zones (GAFI) fees

For the Group Companies which established under the provisions of the Investment law and according to the Free Zone System, their profits are not subject to income tax. However, according to the Investment Law, a charge of 1% of the total revenues of these Companies is due to the General Authority for investment and is calculated and charged on the consolidated income statement according to the accrual basis.

48-9 Property, plant & equipment & Depreciation**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property and equipment is recognized in consolidated statement of income.

Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives for each type of property, plant and equipment, and is generally recognized in consolidated statement of income and other comprehensive income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

<u>Asset</u>	<u>Years</u>
Buildings & constructions	20–56 or according to lease term, which is lower
Vehicles and transportation	4 – 10
Furniture & office equipment	2 – 10
Machinery & equipment	3 – 20
Tools & supplies	5
Stations, generators & electric transformers	10
Computer, software and Decorations	3 – 6.67
Leasehold improvements	Over the lower of lease term or estimated useful life which is lower
Irrigation network	2-20

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the assets to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

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The Company applies the (successful efforts) method in relation to capitalization of expenditures. As follows:

Direct expenses incurred in carrying out geological and geophysical in the field and all costs relating to these investigations are charged to income statement.

All exploration acquisition costs are capitalized, which includes the consideration of the acquisition in addition to any future expenditures that the company pay on behalf of the farm out party regarding to this acquisition.

Exploration drilling cost and cost of drilling and exploration well are initially capitalized pending determination whether or not the well contains proven reserves.

If proven reserves are found, the cost of the well is transferred to production wells and depleted using the "unit of production" method.

If proven reserves are not discovered the capitalized drilling costs are charged to income statement.

All development and production drilling costs which include drilling and development costs are capitalized and are recognized among the cost of developing the proven reserve.

Dry development wells are capitalized and remain part of the development costs of the production reservoir.

Development wells are depleted when starting production.

Under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use.

Projects under construction are transferred to its related caption when they are completed and are ready for their intended use.

The exploration and development assets depletion rate is determined according to the production during the financial period as follows:

Description	Depletion basis
Productive wells	Depletion rate is determined based on the percentage of the actual production volume during the period to the volume of developed proven reserve.
Upstream Facilities	Depletion rate is determined based on percentage of the actual production volume during the period to the volume of proven reserve.
Pipelines	Depletion rate is determined based on percentage of the actual production volume during the period to the volume of proven reserve.

48-11 Intangible assets**Recognition and measurement****Goodwill**

Goodwill arising on the acquisition of subsidiaries. Goodwill is measured at cost less any accumulated impairment losses. Impairment of goodwill is not reversed subsequently. In case of gain on bargain purchase it is directly recognized immediately in the income statement.

Subsequent expenditures

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits which relates to research and development projects under implementation that recognized as an intangible asset. All other expenditures including expenditure on internally generated goodwill and brands are expensed as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the consolidated statement of income. Goodwill is not amortized.

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48-12 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in profit or loss

48-13 Inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories is based on the moving average principle and cost includes expenditure incurred in acquiring the inventories and bringing it to its existing location and condition. Cost of finished goods and work in process inventories includes an appropriate share of production overheads.

48-14 Works in progress

All expenditures directly attributable to works in process are included in work in process account till the completion of these works. They are transferred to completed residential units ready for sale caption when they are completed. Work in process are stated at the balance sheet date at lower of cost and net realizable value. It includes all direct costs that related to preparation of units to sell it and in the assigned purpose.

48-15 Cash and cash equivalents

For the purpose of preparing the consolidated statement of cash flows, "cash & cash equivalents" comprises cash at banks & on hand, time deposits with maturities of three months or less, also treasury bills due within three months, and bank overdrafts deducted.

48-16 Financial instruments**1) Recognition and initial measurement**

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

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

2) Classification and subsequent measurement**Financial assets**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

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

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

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets .

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- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and

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- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition**Financial assets**

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

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

Financial liabilities

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

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

4) Offsetting

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

48-17 Financial Derivatives and Hedge Accounting

The Group holds derivative financial instruments to hedge foreign currency and interest rate risks. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Following initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge against the variability in cash flows associated with forecast transactions with a high probability resulting from changes in foreign exchange rates and interest rates and some derivatives and non-derivative financial liabilities as a hedge of foreign exchange risk on a net investment in a foreign operation.

48-18 Share capital**Ordinary shares**

Incremental costs directly attributable to issue ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 "Income Tax".

Repurchase and re-issue of ordinary share (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

48-19 Impairment**1) Non-derivative financial assets****Financial instruments and contract assets**

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

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

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or being more than 120 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2)Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in the previous years.

48-20Provisions

Provisions are recognized when the Group has legal or constructive obligation from past event, and settlement of obligations is probable, and its value can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation, when the provision is measured using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows.

In the event that some or all of the economic benefits required are recoverable settle the provision from a third party, the amount due is recognized as an asset if it is certain to be recovered and can be measured in a reliable manner.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the

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liability. The increase in the carrying amount of the provision resulting from the use of the discount to figure out the present value, which reflects the passage of time, is recognized as a finance cost.

48-21 Lease contracts**1-Determining whether the arrangement contains a lease contract or not**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. Initially or when evaluating any arrangement that contains a contract lease, the Group separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Group concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled, and the finance cost calculated on the obligation is recognized using the Group's additional borrowing rate.

2-Leased assets

Lease contracts for property, plant and equipment that are transferred in a large degree to the Group, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.

Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Group's statement of financial position.

3-Lease payments

Operating leases' payments are recognized in profit or loss on a straight-line basis over the term of the lease. Received lease incentives are recognized as an integral part of the total lease expense, over the lease term.

The minimum lease payments of finance leases are divided between financing expenses and the reduction of unpaid liabilities. Finance charges are charged for each period during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation.

4-Lessor books

When the Group acts as a lessor, it determines at the inception of the lease whether each lease is or not a lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease has been transferred substantially all the risk and reward incidental to ownership of the underlying asset. If so, the lease is an indirect lease; If not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is in place for the principal part of the economic age of the asset.

Where the Group is an intermediate lessor, it accounts for its share of the main lease and sublease separately. It assesses the classification of a sublease with reference to the right-of-use asset arising from the main lease, not with reference to the underlying asset. If the lease is a short-term lease for which the Group applies the above exemption, then the sublease is classified as an operating lease. If the arrangement contains lease and non-lease components, the Group applies EAS 48 to the consideration allocation in the contract.

The Group applies the derecognition and impairment requirements of EAS 47 to the net investment in the lease. The Group also regularly reviews the unsecured estimates of the residual values used in calculating the total investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

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48-22 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, the share equity-accounted investees, and income taxes.

48-23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at a demand price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

48-24 Insurance activity polices**Insurance activity revenue**

Revenues from long-term insurance policies are fully recognized in the consolidated statement of income after excluding a percentage of 100% of the premiums value belonging to the following financial years after deducting the percentage of such years from the production commission with a percentage that must not exceed 20% of the premium value.

Revenues related to the incoming reinsurance agreements, whose accounts have not completed a whole insurance year yet, shall be deferred in addition to other extraordinary or discretionary cases in which certain deferred accounts are not completed for the years subsequent to the financial position year. Such revenues are recorded under the liabilities in the statement of financial position till the completion of the insurance year of such accounts.

Net income from Investment- insurance activity

Net income from investment is allocated as follows:

- Return on investment of funds designated for the rights of policyholders shall be recorded in the consolidated statement of income of each insurance branch, (properties – individuals branches)

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at the percentage of average technical provisions for each insurance branch to total technical provisions, during the financial year.

- The return on free fund investments shall be recorded in the statements of income.

Accounts receivable from insurances

Accounts receivable from insurances are recorded either in the form of premium under collection or current accounts belonging to the insured persons at amortized cost represented in the carrying amount of such accounts less the accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the accounts receivable from insurance, while adding cash receipts from debts previously written off thereto.

Insurance and reinsurance companies (Debit balances)

The accounts of the insurance and reinsurance companies are recorded at the amortized cost represented in the carrying amount of such accounts less accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the insurance and reinsurance companies, while adding cash receipts from debts previously written off thereto.

Technical provisions for Insurance on individuals and fund formation**a) Mathematical reserve**

The mathematical reserve of each of the insurance on individuals and the formation of funds are formed at the date of each financial position by the actuary in accordance with the technical basics provided by the Board of Directors of the Egyptian Financial Supervisory Authority (EFSA), in addition to the share of each policy in the increase (decrease) in the capital value of insurance premiums invested in the investment portfolios in favor of the policyholders.

b) Provision for outstanding claims

This provision is formed by the number of claims related to casualties reported before the year end and still valid at the date of the financial position.

Technical provisions for properties and liabilities insurances**a) Provision for unearned premium**

A provision for unearned premium is formed to meet the Company's liabilities resulting from insurances issued before the end of the financial year and still valid thereafter.

The unearned provision is equal to the sum of multiplying net premiums of the branch whose loss rate exceeds $(100\%) \times 50\%$ of the actual loss rate for the year presented pertaining to all branches except for transportation branches, where this percentage equals 25%. The application of this rule is limited to annual premiums while excluding the long-term ones, taking into consideration that the provision, after the recalculation, shall not exceed the net premiums of the branches after revaluating and deducting the non-recurring significant accidents for which the Company prepares a statement to be approved by the Egyptian Financial Supervisory Authority (EFSA). This rule applies to all branches carrying out properties and liabilities insurances, except for obligatory motor insurance branch.

b) Provisions for outstanding claims

A provision for outstanding claims is separately formed for each insurance branch to cover the claims incurred from accidents reported before the financial year-end and still exist at the financial position date, as well as the accidents that might have occurred and not reported till the financial position date.

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c)Provisions for retrograded fluctuations

A provision for retrograded fluctuations is formed to cover any contingent losses especially as a result of losses that may arise from natural hazards and risks of riots and vandalism in accordance with the rules stipulated in the executive regulations of Law No. 10 for the year 1981.

Credit balances of insurance and reinsurance companies

The credit balances of insurance and reinsurance companies are recognized at fair value. These balances are represented in the current accounts balances of insurance and reinsurance companies, credit balances of reinsurance agreements and retained provisions from reinsurers at the date of the financial statements.

Allocation of general and administrative expenses – insurance activity

Direct general and administrative expenses including salaries, wages and other direct expenses of insurance branches are charged to the accounts of revenues and expenses of the general insurance branches. While indirect expenses are distributed at the percentage of 90% as indirect general and administrative expenses and 10% as indirect investment expenses. Then the 90% is distributed one third of these expenses by direct wages and two third of these expenses are distributed by direct premiums after excluding 50% of the indirect expenses of the company's branches and charging them to production costs.

Production costs - insurance activity

The indirect production costs shall be distributed at the percentage of the due and paid commissions and allowance of each branch of the insurance branches after adding 50% of the indirect expenses of the company's branches and charging them to the production costs.

Insurance activity risks**Regulatory framework of the Risk Management Department**

The objective of the Company's Risk Management Department and Financial Management Department is to protect the Company's shareholders from events that impede the achievement of financial performance objectives, including failure to take advantage of opportunities. Risk Management Department also works on protecting the rights of policyholders by ensuring that all commitments towards policyholders are met in accordance with the methods in practice. Top management recognizes the necessity to have effective and efficient risk management systems.

Insurance risk

The risk of insurance contracts is represented in the possibility of the occurrence of the insured event resulting in a financial claim as indicated in the insurance contracts; bearing in mind that such risks are random and unpredictable. The risks facing the Company is the occurrence of the insured risk and the volume of the recorded claim.

The Company carries out insurance activities for individuals - insurance on liabilities and properties in all various branches.

- All forms of insurance for individuals.
- Temporary life insurance.
- Life insurance with profit sharing.

In addition to the abovementioned, there are additional insurance coverage to be added to each type in return for an additional premium at the request of the client.

Technical bases used in estimating the mathematical reserve**First: Used Life Table**

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Life and death rates of table A 49/52 ULT, considering using the premiums calculated on the basis of the life table A 67/70 ULT for the contracts that the Authority stipulated when approving them, while the remaining bases used in pricing shall remain constant.

Partial disability and permanent total disability: reinsurance rates.

Second: Used Interest Rates**Collective Contracts**

Vary depending on the benefits of each collective contract, however, the interest rate does not exceed 8% according to the instructions of the Authority.

Individual Contracts

An interest rate of 4.25% is used for all individual insurance policies except the "Aman al-Tool" pension insurance policy, a 6% interest rate is used, that represents the same rates used to calculate the present value of the profits in case of insurance policies with profit sharing.

The assumptions related to the insurance policies issued in foreign currencies.

Maximum rates allowed to be used are 3%.

Third: Methods used to calculate reserves

Forward-looking method is used in the endowment life insurance and temporary contracts while the unearned premium method is used for the temporary contracts whose term is less than five years.

For the policies related to investment units, the reserve value is calculated as follows:

For the portion of protection: total annual net risk premiums based on life table A 49/52 ULT.

For the portion of investment: total investment balances with respect to the customers up to the date of valuation.

Fourth: Assumptions regarding wage scale

The client will provide us with the percentage of the increase in wages and we calculate the reserve in this case using the interest rate that is equivalent to the difference between the percentage of the increase required by the customer and the annual interest rate; taking into consideration the maximum authorized interest rate according to the instructions of the Authority.

Fifth: Amounts charged to administrative expenses

As for individual operations: according to the specifications of each policy approved by the Authority.

As for collective transactions: the amounts charged with respect to the administrative expenses of each collective contract shall be sent prior to issuance and shall be approved by the Authority. These rates are to be taken into account when estimating the reserve of collective contracts.

The main risks the Company faces are as follows:

- Mortality rates risk - risk of loss due to the discrepancy between the mortality rates of the policyholders and the expected rates.
- Risk of morbidity rates - risk of loss due to the discrepancy between morbidity rates among policyholders and the expected rates.
- Age risk - the risk of loss due to the age of the pensioner as he may live for a longer period than what was expected.

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- Return on investment risk - risk of loss due to discrepancy between the actual expenses and the expected rates.
- Risk of decisions taken by the policyholder - risk of loss due to the different behavior of policyholders (cancellation and liquidation rates) than what was expected.

Regarding the property and liability insurance, the Company practices activities that encompass various insurance branches (fire, marine, automotive , engineering, petroleum, medical treatment, hazards ...), and studies the inherent risks that include the risk of recurrence or concentration in the insurance claims of large amounts of compensation as well as the geographical concentration within each insurance branch on a case by case basis while taking into account the relative volume of the branch's operations in proportion with the total activity of the Company and trying to maintain a balance with respect to the Company's subscription portfolio.

In order to reduce the insurance risk, the Company lays down the subscription and retention policies and the limits of the powers and authorities in addition to the subscription powers that determine the authorized and responsible persons for the completion of the execution of the insurance and reinsurance contracts. The implementation of these instructions are periodically reviewed and the developments that take place in the market are followed up accurately and the necessary measures are taken to reflect them in the subscription instructions if required.

The Company also uses reinsurance to manage insurance risk by entering into proportional and non-proportional agreements with third parties for reinsurance purposes.

Reinsurance activity risks

As customarily applied in the other insurance companies and in order to limit the risk of encountering loss arising from insurance claims of large amounts, the Company engage into reinsurance agreements with other parties. These reinsurance contracts allow greater diversification in the business field and enable management to monitor the possibility of encountering loss due to significant risks and provide additional growth potential. However, this procedure does not relieve the Company of its obligations towards its insured parties, and the Company shall remain liable to its policyholders for the reinsured part of the compensation under settlement in case the reinsurers fail to comply with their obligations under the reinsurance contract and therefore the credit risk shall remain-with respect to reinsurance -to the extent that any reinsurer is unable to settle his obligations.

To limit the probability of being exposed to huge losses as a result of the default of re-insurances. The Company evaluates the credit worthiness of its reinsurers in addition monitoring the concentration of the credit risks, both on a periodic basis.

The Company re-insure only those parties with good credit ratings. As their credit ratings are reviewed on a periodical basis.

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A segment is a group of related assets and operations that have a different risks and benefits from that of other sectors or within a single economic environment characterized by its own risks and benefits from those related to sectors operating in a different economic environment.

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

A segment is considered significant and is disclosed separately if it represents 10% or more of the Group's total revenue or net income.

The Group has the following strategic segments, which are reported segments. These segments offer different products and services, and they are managed separately because they require different marketing techniques and strategies.

The following is a summary of the activities of each disclosed sector:

Sector	Location	Activity
Energy Sector	Egypt - Saudi Arabia - Emirates – others	Gas delivery activities and activities of extraction and development of natural gas wells. Oil exploration and production.
Fertilizers and petrochemicals Sector	Egypt	Production of urea and ammonia Production of formaldehyde flakes, and Formica flakes
Insurance Sector	Egypt	Life, property and liability insurance.
Wood Manufacturing Sector	Egypt	Wood manufacturing.
Others Sector	Egypt – Spain - Others	Microfinance and consumer finance

The Group CEO reviews internal management reports for each segment at least once a month. Profit (loss) before tax and before interest and depreciation is used to measure performance because management believes that this information is the most relevant in evaluating the results of related segments relative to other companies that operate in similar industries.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Information related to each sector is shown in the following table:

Egypt Kuwait Holding Co. (An Egyptian Joint Stock Company)

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49- Segment reporting (Cont.)

	Energy sector		Chemicals & fertilizers sector		Financial Non banking sector		Wood processing sector		Other operations		Total	
	2024/12/31	2023/12/31	2024/12/31	2023/12/31	2024/12/31	2023/12/31	2024/12/31	2023/12/31	2024/12/31	2023/12/31	2024/12/31	2023/12/31
Revenues	197 237 501	264 076 785	329 741 428	404 473 908	63 182 997	59 433 315	3 182 478	3 101 583	7 731 617	16 618 732	601 076 021	747 704 323
Net operating profit (loss)	56 883 522	95 692 489	150 560 789	189 795 048	23 429 103	20 578 274	(3 568 702)	(2 832 492)	(6 313 793)	1 095 548	220 990 919	304 328 867
Financing expenses	(9 775 145)	(10 938 435)	(1 266 566)	(3 347 885)	(51)	(62)	(434 540)	(591 354)	(50 995 551)	(51 587 856)	(62 471 853)	(66 465 592)
Interest income	2 687 098	3 650 193	11 069 878	11 109 642	1 168 468	353 853	167 107	188 383	1 144 289	3 463 342	16 236 840	18 765 413
Company's share of profit of equity - accounted investees	-	-	-	-	1 510 006	1 882 675	-	-	-	-	1 510 006	1 882 675
Net profit (loss) for the year before income tax	63 605 018	92 882 300	178 138 947	212 205 108	26 960 019	23 162 105	(5 087 518)	(5 124 963)	(24 497 927)	(35 740 837)	239 118 539	287 383 713
Income tax	(11 860 765)	(13 894 264)	(33 165 293)	(50 206 873)	(6 169 972)	(4 357 281)	(146 647)	(158 067)	(2 441 866)	(955 321)	(53 784 543)	(69 571 806)
Net profit for the year	51 744 254	78 988 037	144 973 654	161 998 235	20 790 046	18 804 824	(5 234 165)	(5 283 030)	(26 939 793)	(36 696 159)	185 333 996	217 811 907
Depreciation & amortization	(25 150 989)	(37 979 216)	(23 193 061)	(22 004 075)	(377 388)	(306 188)	(203 216)	(788 185)	(1 688 022)	(703 228)	(50 612 676)	(61 780 892)
Foreign currency translation differences	(73 486 464)	(41 997 598)	(90 184 898)	(39 640 709)	(19 110 351)	(6 738 838)	(5 913 727)	(5 318 316)	(7 229 503)	(1 070 242)	(195 924 943)	(94 765 703)
Total assets	501 746 503	596 832 908	697 072 820	821 346 063	170 455 148	215 355 080	62 532 532	87 255 438	17 417 723	24 938 271	1 449 224 726	1 745 727 760
Equity - accounted investees (associates Companies)	-	-	-	-	23 778 568	22 636 331	-	-	9 716 011	-	33 494 579	22 636 331
Total liabilities	189 415 143	247 993 122	78 220 330	121 531 257	97 006 707	133 130 889	31 323 582	47 397 848	560 094 787	555 627 000	956 060 549	1 105 680 116

Notes to the consolidated financial statements

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50- New versions and amendments to the Egyptian Accounting Standards

- On October 23, 2024, Prime Minister's decision No. (3527) of 2024 was issued amending some of the Egyptian accounting standards, by adding a new standard No. (51) "Financial Statements in Hyperinflation Economies," the application of which is related to the issuance of a decision by the Prime Minister or his delegate to determine the beginning and ending dates of the financial period or periods which this standard must be applied when the functional currency is the local currency, and a decision has not yet been issued to determine the date of its application.
- On March 6, 2023, Prime Minister decision No. (883) of 2023 was issued to amend some of the accounting standards, and the following is a summary of the most important of these amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <p>-Egyptian Accounting Standard No. (10) "Fixed Assets".</p>	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <u>on or after July 1, 2024</u> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.
	<p>-Egyptian Accounting Standard No. (23) "Intangible Assets".</p> <p>Egyptian Accounting Standard No. (34) " Investment property ".</p>		

Notes to the consolidated financial statements

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (34) amended 2024 "Real Estate Investment"	Egyptian Accounting Standard No. (34) "Real Estate Investment" was reissued in 2024, where the mechanism for applying the fair value model was amended, where it was added that the profit or loss arising from the change in the fair value of the real estate investment must be recognized in the statement of profits or losses for the period in which this change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	There is no impact on the consolidated financial statements of the company.	The amendment to the amendments to add the option to use the fair value model applies to financial periods commencing on or after January 1, 2024 , and allows for early application retroactively, with the cumulative impact of the application of the fair value model being initially demonstrated by adding it to the calculation of the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Standalone Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in subsidiaries, sister companies and jointly controlled companies.	There is no impact on the consolidated financial statements of the company.	The amendments shall apply to financial periods commencing <u>on or after January 1, 2024, and early application shall be allowed retroactively,</u> with proof of the cumulative effect of the application of the equity method by adding it to the calculation of the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies this method for the first time.

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	<p>This standard was reissued in 2024, adding how to determine the intraday rate when it is difficult to exchange between two currencies and the conditions that must be met in the real-time exchange rate on the measurement date.</p> <p>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.</p>	There is no impact on the consolidated financial statements of the company.	<p>Adjustments to determine the instantaneous rate when it is difficult to exchange between two currencies shall apply to financial periods commencing on or after January 1, 2024, and early application is allowed, and if the entity makes early application, this must be disclosed.</p> <p>Upon application, the entity may not modify the comparison information, instead:</p> <ul style="list-style-type: none"> • When the entity reports foreign currency transactions in its currency of dealing, any effect of the initial application is recognized as an adjustment to the opening balance of the profits carried forward on the date of the initial application. • When an entity uses an offer currency other than its own currency of dealing or translates the results and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative amount of translation differences - accumulated in the equity side - on the date of initial application.

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Accounting Interpretation No. (2) "Carbon Emission Reduction Certificates"	Carbon Credits Certificates: These are negotiable financial instruments that represent against greenhouse gas emission reduction units, and each unit represents a ton of carbon dioxide equivalent emissions, and is issued to the benefit of the developer of the reduction project (owner/non-owner), after approval and verification in accordance with internationally recognized carbon emission reduction standards and methodologies, carried out by the verification and certification bodies, whether local or international, registered in the list prepared by the Financial Supervisory Authority for this purpose. Companies can use emission reduction certificates To meet voluntary emission reduction targets (for companies) to achieve carbon exchange or other targets that are traded in the voluntary	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	The application starts on or after the first of January 2025 and allows early application.
	carbon market. (Voluntary Carbon Market "VCM") Accounting treatments vary according to the nature of the arrangement and the commercial purpose of purchasing or issuing certificates by project developers, and therefore companies must identify facts and identify different circumstances to determine the appropriate accounting treatment and accounting standard to be applied. The interpretation deals with the accounting treatment of different cases in terms of initial measurement and Subsequent measurement and exclusion from books and necessary disclosures.		