

Mr. / Head of Disclosure Sector in the Egyptian Stock Exchange

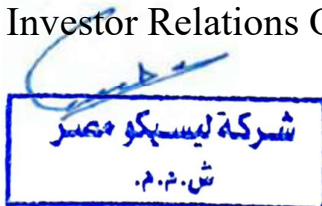
After Greetings,

Referring to the separate financial results of Lecico Egypt S.A.E. for the financial period ended March 2025, the company reported a net profit of LE 42,867,406 compared to a net profit in the same period last year of LE 422,819,010. The reasons for the profit decrease in the financial period ended March 2025 are detailed as follows:

- 1- Increase in selling expenses compared to the same period of the previous year by EGP 12 million.
- 2- Increased in administrative expenses by EGP 8.7 million compared to the same period of the previous year.
- 3- Lecico Egypt's standalone income statement includes exceptional gains in the first quarter of 2024, amounting to EGP 277 million in foreign exchange gains and EGP 150 million in gains from offloading some of its excess foreign currency through the GDR.

Best Regards,

Lecico Egypt
Mohamed Aly Mohamed Hassan
Finance Director
Investor Relations Officer

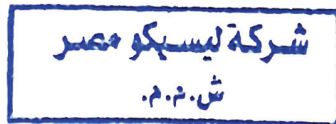


LECICO EGYPT (S.A.E.)
Separate interim Financial Statements
for the Financial Period Ended
31 March 2025 and Independent Auditor's Report on
Review of Separate Interim Financial Statements



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Independent Auditors' Report on Review of Separate Interim Financial Statements

To the members of the Board of Directors of Lecico Egypt Company (S.A.E)

Introduction

We have reviewed the accompanying separate statement of financial position of Lecico Egypt (S.A.E.) "the Company" as of March 31, 2025, and the related separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of material accounting policies and other explanatory notes to the separate interim financial statements. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with EAS 30 Interim Financial Reporting. Our responsibility is to express a conclusion on these separate interim financial statements based on our review.

Scope of Review

Except for what will be discussed in the basis of qualified conclusion paragraph, we conducted our review in accordance with the Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these separate interim financial statements.

Basis for Qualified Conclusion

According to indicators described in details in notes (14), (29-1) of the notes to the separate interim financial statements, Company's investment in the Lebanese Ceramic Industries company (a subsidiary company) amounting to approximately EGP 71.3 million as of March 31, 2025 representing 2.3% of the Company's total assets, and balance due from the subsidiary company (included among debtors and other debit balances) amounting to EGP 156 million as of March 31, 2025 representing 5% of the Company's total assets. The Company did not prepare impairment study for investment and its balance due from subsidiary company. Consequently, we were not able to obtain assurance on the valuation of these balances as of March 31, 2025.

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Qualified Conclusion

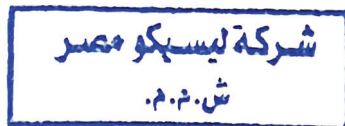
Except for the effects of such adjustments, if any, as might have been determined to be necessary if we received the study stated in the basis of qualified conclusion above, based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly -in all material respects- the unconsolidated financial position of the Company as of March 31, 2025 and its unconsolidated financial performance and its unconsolidated cash flows for the three-month period then ended in accordance with the Egyptian Accounting Standards.

Emphasis of matter

Without considering the following paragraph as an additional qualification on our conclusion mentioned above, as detailed in Note (32) of the notes to the separate interim financial statements, the Board of Directors of Lecico Egypt (the holding company) held a meeting on September 17, 2024, and approved the decision of the committee formed by the General Authority for Investment and Free Zones, which was approved on July 24, 2024. This decision grants permission for the merger of Lecico Egypt (an Egyptian Joint Stock Company) (the merging company) with Lecico Ceramic Industries (Egyptian Joint Stock Company) (merged company), International Ceramics Company (Egyptian Joint Stock Company) (merged company) and European Ceramics Company (Egyptian Joint Stock Company) (merged company). The merger will be based on the book values according to the financial statements of the merging company and the merged companies as of December 31, 2022, which were taken as the basis for the merger. On October 29, 2024, the Financial Regulatory Authority (FRA) approved the publication of the disclosure report, and procedures are being taken to invite an Extraordinary General Meeting (EGM) for Lecico Egypt (the merging company) to decide on the merger.

KPMG Hazem HassanMohamed Hassan Mohamed Youssef
Capital Market Register No. 400**KPMG Hazem Hassan**
Public Accountants and Consultants

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Alexandria on May 14, 2025

LECICO EGYPT (S.A.E)
Separate Statement of Financial Position as at

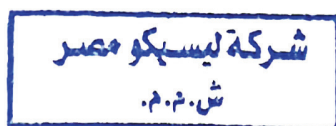
	Note No.	31 March 2025 EGP	31 December 2024 EGP
<u>Assets</u>			
<u>Non-current assets</u>			
Property, plant & equipment	(12-1)	331,276,488	343,959,653
Intangible assets	(12-2)	1,037,370	1,139,421
Projects under construction	(13)	11,184,175	4,965,642
Investment in subsidiaries & Other investment	(14)	629,249,279	629,249,279
Total non-current assets		972,747,312	979,313,995
<u>Current assets</u>			
Inventories	(16)	741,126,525	684,868,664
Trades and other receivables	(17)	1,184,416,352	1,122,904,244
Cash and cash equivalents	(18)	252,937,161	222,594,960
Total current assets		2,178,480,038	2,030,367,868
Total assets		3,151,227,350	3,009,681,863
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued & paid up capital	(25-2)	400,000,000	400,000,000
Reserves	(25-3)	302,826,660	281,331,724
Accumulated Profit / (Losses)		387,869,669	392,226,334
Total equity		1,090,696,329	1,073,558,058
<u>Non-current liabilities</u>			
Deferred tax liabilities	(15-3)	12,153,144	9,703,311
Notes Payables	(23)	150,491,066	155,524,770
Total non-current liabilities		162,644,210	165,228,081
<u>Current liabilities</u>			
Banks credit facilities	(19)	604,955,499	349,700,855
Trades and other payables	(20)	1,088,083,107	1,216,921,855
Accrued income tax	(15-4)	122,560,114	107,614,923
Provisions	(21)	82,288,091	96,658,091
Total current liabilities		1,897,886,811	1,770,895,724
Total liabilities		2,060,531,021	1,936,123,805
Total equity and liabilities		3,151,227,350	3,009,681,863

- The notes from no. (1) to no (34) are an integral part of these separate interim financial statements to be read together.

Independent Auditor's Report on Review of Separate Interim Financial Statements attached,

Finance Director

Managing Director



Mohamed Hassan

Taher Gilbert Gargour

LECICO EGYPT (S.A.E.)**Separate Statement of Profit or Loss for the financial Period Ended 31 March 2025**

	Note	31 March 2025	31 March 2024
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Sales	(3)	756,276,302	609,703,119
Cost of sales	(4)	<u>(620,296,163)</u>	<u>(435,514,325)</u>
Gross profit		135,980,139	174,188,794
Other income	(5)	24,759,144	20,959,392
Selling and distribution expenses	(6)	(16,664,614)	(4,507,906)
Administrative and general expenses	(7)	(37,485,557)	(28,789,301)
Expected credit loss	(8)	(6,000,000)	(7,739,502)
Other expenses	(9)	<u>(16,488,619)</u>	<u>(13,510,470)</u>
Profit resultsing from operating activities		84,100,493	140,601,007
Finance income	(10-2)	6,518,660	419,657,026
Finance expenses	(10-1)	<u>(26,047,281)</u>	<u>(34,581,629)</u>
Profit before income tax		64,571,872	525,676,404
Income tax expense	(15-1)	<u>(21,704,466)</u>	<u>(102,857,394)</u>
Net profit for the period		42,867,406	422,819,010
Basic and diluted earnings per share	(11)	<u>0.47</u>	<u>5.23</u>

The notes from no. (1) to no (34) are an integral part of these separate interim financial statements to be read together.

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LECICO EGYPT (S.A.E.)**Separate statement of Comprehensive Income for the financial Period Ended**

	31 March 2025	31 March 2024
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	42,867,406	422,819,010
Other comprehensive income	-	-
Total comprehensive income for the period	<u>42,867,406</u>	<u>422,819,010</u>

The notes from no. (1) to no (34) are an integral part of these separate interim financial statements to be read together.

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LECICO EGYPT (S.A.E.)
Separate Statement of Changes in Equity for the financial Period Ended 31 March 2025

<u>Description</u>	<u>Notes</u> <u>No.</u>	Issued and Paid up in Capital		Treasury Shares		Reserves		Retained earnings / (Accumulated losses)		Total	
		EGP		EGP		EGP		EGP		EGP	
Balance as at January 1, 2024		400,000,000		(25,388,998)		281,331,724		(12,283,395)		643,659,331	
Transactions with Company's shareholders											
Acquiring of treasury stocks	(26)	-		25,388,998		-		(25,388,998)		-	
Total Transactions with Company's shareholders		-		25,388,998		-		(25,388,998)		-	
Other Comprehensive Income											
Net profit for the period		-		-		-		422,819,010		422,819,010	
Total other Comprehensive Income		-		-		-		422,819,010		422,819,010	
Balance as at March 31, 2024		400,000,000		-		281,331,724		385,146,617		1,066,478,341	
Balance as at January 1, 2025		400,000,000		-		281,331,724		392,226,334		1,073,558,058	
Transactions with Company's shareholders											
Transferred to legal reserve	(25-3)	-		-		21,494,936		(21,494,936)		-	
Dividends		-		-		-		(25,729,135)		(25,729,135)	
Total Transactions with Company's shareholders		-		-		21,494,936		(47,224,071)		(25,729,135)	
Other Comprehensive Income											
Net profit for the period		-		-		-		42,867,406		42,867,406	
Total other Comprehensive Income		-		-		-		42,867,406		42,867,406	
Balance as at March 31, 2025		400,000,000		-		302,826,660		387,869,669		1,090,696,329	

The notes from no. (1) to no. (34) are an integral part of these separate interim financial statements to be read together.



LECICO EGYPT (S.A.E.)

Separate interim Statements of Cash Flows for the financial Period Ended

	Note No.	March 31, 2025 EGP	March 31, 2024 EGP
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		64,571,872	525,676,402
<u>Adjustments</u>			
Property, plant & equipment depreciation	(12-1) (12-2)	19,237,685	13,971,535
Foreign currencies exchange differences		(7,361,421)	(270,732,784)
Interest income	(10)	(138,338)	
Income from investments at fair value through profit or loss	(10)	-	(149,513,067)
Interest expense	(10)	26,047,281	34,581,629
		102,357,079	153,983,715
Change in inventories	(16)	(56,257,861)	(11,278,530)
Change in trades, notes and other receivables	(17)	(64,408,685)	14,740,753
Change in trades, notes and other payables	(20)	(160,694,499)	(39,392,424)
Change in provisions	(21)	(14,370,000)	11,456,502
		(193,373,966)	129,510,017
Interest of credit facilities paid	(19)	(25,236,493)	(36,345,961)
Interest of credit loan	(19)	-	(498,078)
Income tax paid		(4,309,442)	(2,787,709)
Net cash flows (used in) / available from operating activities		(222,919,901)	89,878,269
<u>Cash flows from investing activities</u>			
Payments for acquisition of Property, plant & equipment and projects under construction	(12) (13)	(12,671,003)	(18,293,954)
Interest received	(10)	138,339	-
Net cash (used in) investing activities		(12,532,664)	(18,293,954)
<u>Cash flows from financing activities</u>			
Payments for loans installments	(19)	-	(9,267,000)
Change in from Banks credit facilities	(19)	253,092,630	(162,280,127)
Payments for purchase securities		-	(156,483,911)
Proceeds from sale of securities		-	305,996,978
Net change in restricted time deposits	(18)	2,600	(472,200)
Net cash (used in) / available from financing activities		253,095,230	(22,506,260)
Net changes in cash and cash equivalents		17,642,666	49,078,055
The effect of foreign currencies exchange rate on cash & cash equivalents		12,702,140	176,504,662
Cash and cash equivalent, at the beginning of the period	(18)	225,064,456	357,894,020
Cash and cash equivalent, at the end of the period	(18)	255,409,262	583,476,737

-The notes from no. (1) to no. (34) are an integral part of these separate interim financial statements to be read together.

- The non cash transaction have been excluded as shown in notes no.(22) .

LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

1. Background and activities

Legal entity

- Lecico Egypt (S.A.E.) "the company" was established on November 1st, 1975 according to the resolution of the Ministry of Economics and Economic Co-operation number 142 of 1975. The company is subject to law number 72 of 2017 which superseded law No. 8 of 1997.
- The Company's duration is 75 periods starting from the date of registration in the Commercial registry on November 10, 1975 till 9 November 2050 .
- The registered office of the Company is in the Khorshid district in Alexandria, Egypt.
- The company is listed on the Egyptian stock exchange.
- Mr. Gilbert Gargour is the Company's Chairman, and Mr. Taher Gilbert Gargour is the Managing Director.
- The company's fiscal period begins on the first of January and ends on the 31st of December of each period.
- The actual Shareholders of the company is Intage Holding Limited.

Company purpose

- Manufacture and production of all ceramic industries, including the manufacture and production of sanitary ware, all types of tiles and financial leasing.
- The company may have an interest or participate in any way with the authorities that carry out business similar to its business or that may cooperate with it to achieve its purpose in Egypt or abroad, and it may also merge with the previous authorities, buy them or join them, in accordance with law and its executive regulations.

2. The basis for preparing the independent separate financial statements.

a. Compliance with accounting standards and laws

- The separate interim financial statements have been prepared in accordance with the Egyptian accounting standards and the relevant Egyptian laws and regulations.
- Egyptian accounting standards require referring to international financial standards for events and transactions that are not covered by an issued accounting standard or legal requirements that clarify how to treat them.
- The Company's standalone interim financial statements were approved by the Board of Directors on May 13, 2025.
- Details of the Company's Material accounting policies are included in Note (31).

b. Functional and presentation currency

- The separate interim financial statements are presented in Egyptian Pounds (EGP) which is the company's functional currency.

c. Basis of measurement

- The financial statements have been prepared on historical cost basis except for the following:
- Financial assets and liabilities recognized at fair values through profits or losses.
 - Financial assets and liabilities recognized at fair values through other comprehensive income.
 - Financial assets and liabilities recognised at accrued cost.

d. Use of Judgments and Estimates

In preparing the separate interim financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. These estimates and assumptions are based on experience and various factors. Actual results may differ from these estimates and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e. Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the separate financial statements is included in the following notes:

- Revenue recognition

Revenue is recognized as detailed in the accounting policies applied.

- Equity-accounted investees and associates Companies:

Determining whether the Company has significant influence over Companies and investees.

- Review of contractual agreements

The management reviews its judgmental assumptions and estimates, including what used in determining the extent to which the Company enjoys absolute or joint control or influential influence over the investee companies whenever a material event or an effective amendment occurs to the terms contained in its contractual agreements.

- Lease contracts classification.

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Company develops criteria in order to exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in EAS 2, EAS 49, and EAS 10, and the intended usage of property as determined by management.

Incremental Borrowing Rates (IBRs) applied in right of use calculation.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

The company cannot easily determine the implicit interest rate in the lease contract, and therefore it uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the company must pay in order to borrow the necessary financing over a similar term and with a similar guarantee to obtain an asset of the same value as the "right of use" asset in a similar economic environment. Therefore, the incremental borrowing rate reflects what the company has to pay, which requires an estimate when published rates are not available or when they need to be adjusted to reflect the terms and conditions of the lease.

- **Recognition of current and deferred tax assets and liabilities and their measurement**

Income taxes, whether current or deferred, are determined the Company in accordance with the tax law requirements.

The Company's profit is subject to income tax, which requires the use of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the year, the Company record current tax liability according to its' best estimate about the taxable treatment of that transactions and the possibility of incurring of additional tax charges that may result from the tax inspection. And when a difference arises between the final tax liability and what is being recorded, such difference is recorded as income tax expense and current tax liability in the current period and to be considered as change in accounting estimates.

For recognition of deferred tax assets, management uses assumptions about the availability of sufficient taxable profits allowing use of recognized tax assets in the future. Management also uses assumptions related to determination of the applicable tax rate at the financial statements date at which deferred tax assets and liabilities are expected to be settled in the future.

This process requires the use of multiple and complex estimates in estimating and determining the taxable pool and temporary deductible taxable differences resulting from the difference between the accounting basis and the tax basis for some assets and liabilities. In addition to estimating the extent to use deferred tax assets arising from carry forward tax losses, in the light of making estimates of future taxable profits and future plans for each of the activities of the subsidiaries of the Company.

f. **Assumptions and estimation uncertainties**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below. The Company bases its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Calculation of expected credit loss**

The Company assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments. When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

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Impairment of non-financial assets

On the date of preparing the separate financial statements, the company evaluates the asset if there is an indication that the asset is impaired. If there is an indication of that, the company evaluates the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset less selling costs or its value in use. Whichever is higher, when assessing the value in use, the estimated future cash flows of the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When determining the fair value less costs to sell, recent market transactions are taken into account. If the recoverable amount of an asset is estimated to be less than its carrying amount, the separate carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized directly in the profit or loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss existed for the carrying amount of asset in prior periods. A reversal of an impairment loss is recognized immediately in the standalone statement of profit or loss.

The useful life of fixed assets and intangible assets

The company's management determines the estimated useful life of fixed assets and intangible assets for the purpose of calculating depreciation and amortization, this estimate is made after taking into account the expected use of the asset or actual obsolescence, the management periodically reviews the useful lives on an annual basis, at least, and the depreciation method to ensure that the method and periods of depreciation are consistent with the expected pattern of economic benefits of the assets.

Impairment of property, plant and equipment and projects under construction

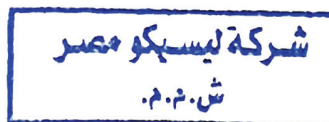
Properties classified under property, plant and equipment and projects under construction are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment review is carried out to determine the recoverable amount which considers the fair value of the property under consideration.

Estimation of net realizable value for inventory

Inventory is stated at the lower of cost or net realizable value ("NRV"). NRV is assessed with reference to sales prices at the end of the reporting period. NRV is determined by the Company having taken suitable external advice and in the light of recent market transactions, where available.

Provisions and contingent liabilities

Management assess events and circumstances that might lead to a commitment on the Company's side from performing its normal economic activities, management uses in this primary estimates and assumptions to judge the extent on which the provision's recognition conditions have been met at the financial statement date, and analyze information to assume whether past events lead to current liability against the Company and estimate the future cash outflows and timing to settle this obligation, in addition, selecting the method which enable the management to measure the value of the commitment reliably.



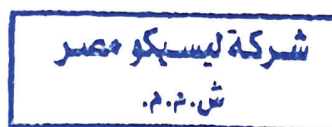
g. Fair value measurement

A certain number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Accreditation is measured in the fair value of assets and liabilities mainly on available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - **Level 2:** inputs of the 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).
- The Company recognizes transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.
- Further information about the assumptions made in measuring fair values is included in the following notes:
- Investment with fair value through profit or loss.
 - Financial instruments (Note No. 27)

h. The consolidated financial statements

- The Company has subsidiaries and according to the Egyptian Accounting Standards No. (42) "consolidated financial statements" and Article 188 of the executive regulations for Companies' law No. 159 of 1981, the Company is preparing consolidated financial statements for the Group which should be used as a reference to understand the financial position, financial performance and cash flows for the group as a whole.



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

3. Sales

<u>Revenue recognized at apiont of time</u>	<u>Note No.</u>	31 March 2025 <u>EGP</u>	31 March 2024 <u>EGP</u>
Local sales		342,110,448	304,910,038
Export sales		414,165,854	304,793,081
		<u>756,276,302</u>	<u>609,703,119</u>

4. Cost of Sales

Raw materials & Consumables		418,644,456	246,681,718
Salaries & Wages		80,366,367	60,438,292
Energy expense		109,999,500	81,497,559
Depreciation	(12-1)	18,374,302	13,332,263
Change in finished & in progress products	(16)	(63,854,537)	(9,721,863)
Impairment of inventory	(16)	-	1,910,118
Freight, Levy and Clearing Fees		29,691,803	23,472,808
Other		27,074,272	17,903,430
		<u>620,296,163</u>	<u>435,514,325</u>

5. Other income

Reversal of expired provision	(21)	22,000,000	-
Discounting of notes payables to its present value		-	19,847,826
Scrap and other revenues		2,759,144	1,111,566
		<u>24,759,144</u>	<u>20,959,392</u>

6. Selling and distribution expenses

Exhibitions expenses		4,144,367	3,837,753
Advertising Expenses		-	5,700
Marketing Expenses		11,596,644	-
Other		923,603	664,453
		<u>16,664,614</u>	<u>4,507,906</u>

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LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

7. General and Administrative expenses

		31 March 2025	31 March 2024
	Note		
	No.	EGP	EGP
Administrative Salaries		15,348,385	11,415,511
Vehicles & transportation expenses		4,631,100	3,226,331
Telephone and Post expenses		1,212,671	1,249,809
Professional and cosultation Fees		5,406,716	4,279,819
Computer , networking and maintenance expenses		2,562,230	1,478,085
Taxes, Fees and Symbiotic contribution		4,250,564	4,438,747
Admin Depreciation	(12-1)	761,332	537,220
Amortization of intangible assets	(12-2)	102,051	102,051
Other		3,210,508	2,061,728
		37,485,557	28,789,301

8. Expexted credit loss

Expected credit loss on receivables	(17)	6,000,000	7,739,502
		6,000,000	7,739,502

9. Other expenses

Formed provision for claims	(21)	7,630,000	13,485,600
Board of directors salaries	(29-3)	15,000	15,000
Discounting of notes receivable to its present value		-	9,870
Discounting of long term notes payables to its present value		8,584,448	-
Other expenses		259,171	-
		16,488,619	13,510,470

10.Net finance costs / (income)

10.1 Finance costs

Interest expense- Credit facilities	26,047,281	34,083,551
Interest expense- Loan	-	498,078
Total	26,047,281	34,581,629

10.2 Finance income

Interest income	138,338	-
Net revenue from investments at fair value through profit or loss	-	149,513,067
Net gain / loss from foreign currency exchange differnces	6,380,322	270,143,959
Total	6,518,660	419,657,026

* Represents net income from investments in securities on the Egyptian Stock Exchange.

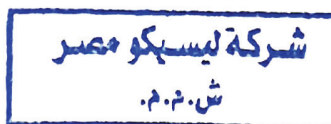
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LECICO EGYPT (S.A.E.)**Notes to the Separate interim Financial Statements for the period Ended 31 March 2025**

11. Basic and diluted earnings per share

The calculation of basic earnings per share is as follows:

	31 March 2025	31 March 2024
	<u>EGP</u>	<u>EGP</u>
Net profit for the period (EGP)	42,867,406	422,819,010
Less :		
Employees' Dividends (estimated)	(5,389,816)	(4,126,318)
	<u>37,477,590</u>	<u>418,692,692</u>
Number of shares (weighted average) *	<u>80,000,000</u>	<u>80,000,000</u>
Basic earning per share (EGP / share)	<u>0.47</u>	<u>5.23</u>



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

12. Property, plant and equipment (Net).

12.1 Plant, property and equipment

<i>Description</i>	Land	Buildings & constructions	Machinery & Equipment	Vehicles	Tools	Furniture & Office Equipment	Computers	Total
<i>In Egyptian Pound</i>								
<u>Cost</u>								
As of 01/01/2025	112,743,016	140,960,553	667,352,041	37,136,368	112,839,905	15,171,647	16,291,498	1,102,495,028
Additions for the period	-	-	642,937	-	188,798	705,238	4,915,496	6,452,469
As of 31/03/2025	112,743,016	140,960,553	667,994,978	37,136,368	113,028,703	15,876,885	21,206,994	1,108,947,497
<u>Less :</u>								
<u>Accumulated depreciation</u>								
As of 01/01/2025	-	88,050,618	513,090,520	26,372,865	107,933,391	10,151,072	12,936,909	758,535,375
Depreciation charge for the period	-	1,253,650	16,000,272	668,649	524,647	167,721	520,695	19,135,634
As of 31/03/2025	-	89,304,268	529,090,792	27,041,514	108,458,038	10,318,793	13,457,604	777,671,009
<u>Carrying amounts</u>								
As of 31/03/2025	112,743,016	51,656,285	138,904,186	10,094,854	4,570,665	5,558,092	7,749,390	331,276,488
As of 31/12/2024	112,743,016	52,909,935	154,261,521	10,763,503	4,906,514	5,020,575	3,354,589	343,959,653
Fully depreciated Plant, property and equipment and still operating	-	32,353,629	411,129,356	23,763,531	102,793,523	8,882,748	10,555,429	589,478,216

- Depreciation expenses were allocated as follow:

	Note	31 March 2025	31 March 2024
	<u>No.</u>		
Cost of sales	(4)	18,374,302	13,332,264
Administrative and general expenses	(7)	761,332	537,220
		19,135,634	13,869,484

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LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

Property, plant and equipment (Net) – Continued

<i>Description In Egyptian Pound</i>	Land	Buildings & constructions	Machinery & Equipment	Vehicles	Tools	Furniture & Office Equipment	Computers & Software	Total
<u>Cost</u>								
As of 01/01/2024	135,810,080	117,893,489	612,085,039	27,708,024	111,255,745	11,970,450	21,358,585	1,038,081,412
Additions for the period	-	-	13,860	-	20,001	20,406	870,700	924,967
reclass	(23,067,064)	23,067,064	-	-	-	-	-	-
As of 31/03/2024	112,743,016	140,960,553	612,098,899	27,708,024	111,275,746	11,990,856	22,229,285	1,039,006,379
<u>Less :</u>								
<u>Accumulated depreciation</u>								
As of 01/01/2024	-	83,147,761	497,358,230	24,851,661	105,395,534	9,748,518	17,187,586	737,689,290
Depreciation charge for the period	-	1,084,029	11,613,387	197,226	672,668	77,113	327,112	13,971,535
As of 31/03/2024	-	84,231,790	508,971,617	25,048,887	106,068,202	9,825,631	17,514,698	751,660,825
<u>Carrying amounts</u>								
As of 31/03/2024	112,743,016	56,728,763	103,127,282	2,659,137	5,207,544	2,165,225	4,714,587	287,345,554
As of 31/12/2023	135,810,080	34,745,728	114,726,809	2,856,363	5,860,211	2,221,932	4,170,999	300,392,122
Fully depreciated Plant, property and equipment and still operating	-	30,545,269	408,442,296	23,872,068	97,485,744	8,760,882	16,018,457	585,124,716



LECICO EGYPT (S.A.E.)**Notes to the Separate interim Financial Statements for the period Ended 31 March 2025****Property, plant and equipment – Continued**

The balance of the land is represented in the following:

<i>In Egyptian Pound</i>	Note <u>No.</u>	<u>31/03/2025</u>	<u>31/12/2024</u>
Khorshid Land in Alexandria		45,096,000	45,096,000
Maadi Land		1,311,000	1,311,000
El Awaid Land		8,628,751	8,628,751
Lebanon Land		57,707,265	57,707,265
		<u>112,743,016</u>	<u>112,743,016</u>

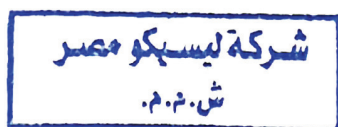
Property, plant and equipment include land and buildings that are purchased with preliminary contracts and unregistered in the company's name as follows:

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Land	10,959,606	10,959,606
Buildings	6,513,000	6,513,000
	<u>17,472,606</u>	<u>17,472,606</u>

12.2 Intangible Assets :

	<u>31/03/2025</u>	<u>31/12/2024</u>
<u>Cost</u>		
As of 01/01/2025	6,878,231	6,878,231
As of 31/03/2025	<u>6,878,231</u>	<u>6,878,231</u>
<u>Less :</u>		
<u>Accumulated depreciation</u>		
As of 01/01/2025	5,738,810	5,330,606
Depreciation charge for the year	102,051	408,204
As of 31/03/2025	<u>5,840,861</u>	<u>5,738,810</u>
Carrying amounts	<u>1,037,370</u>	<u>1,139,421</u>

* Intangible assets represent in amount of computer programmes .



LECICO EGYPT (S.A.E.)**Notes to the Separate interim Financial Statements for the period Ended 31 March 2025****13. Projects under construction**

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Machinery, equipment, building under installation and other*	6,878,533	-
Advances for acquiring fixed assets	4,305,642	4,965,642
	<u>11,184,175</u>	<u>4,965,642</u>

* The advance payments represent payments for gas network improvements.

The following is the movement of projects under implementation during the period:

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Balance at the beginning of the period /year	4,965,642	13,609,544
Additions for the period /year	6,878,533	75,942,163
Transfer to Property, plant & equipment for the period /year	(660,000)	(84,586,065)
Balance at the end of the period /year	<u>11,184,175</u>	<u>4,965,642</u>

LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

14. Investment in subsidiaries & Other investment

<i>In Egyptian Pound</i>	Country	Ownership %	Investments 31/03/2025	Impairment on investments 01/01/2025	Formed Impairment 31/03/2025	Impairment on investments 31/03/2025	Net investments 31/03/2025	31/12/2024
<u>Investments in subsidiaries not listed on the stock exchange</u>								
Lecico for Ceramic Industries	Egypt	99.99	141,771,731	(15,474,579)	-	(15,474,579)	126,297,152	126,297,152
T.G.F for Consulting & Trading	Egypt	99.83	5,990,000	(2,743,492)	-	(2,743,492)	3,246,508	3,246,508
Lecico for Financial Investments	Egypt	99.33	2,980,000	-	-	-	2,980,000	2,980,000
Lebanese Ceramic Industries Co	Lebanon	94.77	71,269,000	-	-	-	71,269,000	71,269,000
International Ceramic	Egypt	99.97	59,995,000	-	-	-	59,995,000	59,995,000
Lecico for Trading & Distribution Ceramics	Egypt	70.00	8,400,000	(8,400,000)	-	(8,400,000)	-	-
European Ceramics	Egypt	99.97	49,985,000	-	-	-	49,985,000	49,985,000
Sarreguermes	Egypt	99.85	9,985,000	(4,615,914)	-	(4,615,914)	5,369,086	5,369,086
Burg Armaturen Fabrik - Sarredesign	Egypt	69.85	6,985,000	-	-	-	6,985,000	6,985,000
Lecico (UK) Ltd	UK	100	303,103,607	-	-	-	303,103,607	303,103,607
			660,464,338	(31,233,985)	-	(31,233,985)	629,230,353	629,230,353
Other Investments								
Aracemco			18,926				18,926	18,926
Total Investments			660,483,264	(31,233,985)	-	(31,233,985)	629,249,279	629,249,279



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

- (1) The management of Lecico Egypt assessed the need to form an impairment in the value of investments on December 31, 2024, so it prepared a study for the impairment in the value of the investment in Lecico (UK) Ltd (a subsidiary) amounting to EGP 303 million based on the expected future plan for Lecico (UK) Ltd (a subsidiary) in which it adopts achieving profits and positive results which will reflect positively on the operational and financial indicators in the coming periods for the subsidiaries.

the following table illustrates the methods used to assess the fair value of an investment :

Company	Method	Important inputs that cannot be observed
Lecico limited UK	Discounted cash flows to equity	Growth Rate 4.4% Discount Rate 10%

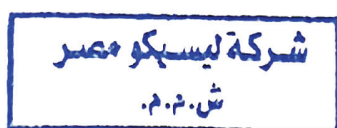
- (2) The group's management decided to make a comprehensive restructuring plan for Lecico Lebanon (one of the group's subsidiaries) during 2019, in light of the negative results and flows achieved by the aforementioned company during the previous periods. The restructuring plan for the subsidiary company includes restructuring its financial and operational aspects, making a fundamental change in production, as well as a comprehensive examination of the company's assets and its current value. At the present time, it is not possible to estimate the impact of the final outcome of the subsidiary company's restructuring plan after the recent events that the State of Lebanon is going through, as Lebanon is facing unstable political conditions due to the ongoing war, which had a great impact on its economy and the banking sector, which led to a decline in economic activity in general during the period, that may have a fundamental impact to evaluate the company's assets and liabilities resulting from its future activities.

15. Income Tax

15-1 Income tax expense charged to the statement of profit or loss

In Egyptian Pound

	31 March 2025	31 March 2024
Current Income tax expense	19,254,633	103,400,000
Deferred income tax	2,449,833	(542,606)
Net income tax expense.	21,704,466	102,857,394



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

15-2 Effective tax rate

<i>Reconciliation of effective tax rate</i>	31/03/2025	31/03/2024
<i>In Egyptian Pound</i>		
Profit before tax	64,571,872	376,163,336
Tax rate	22.5%	22.5%
Income tax using the domestic corporation tax rate	14,528,671	84,636,751
Non- deductible expenses	31,677,972	13,405,819
Provisions and expected credit losses	(8,370,000)	20,962,520
Discounting of notes payables /receivable to its present value	8,584,448	(19,837,955)
Tax Base	96,464,288	390,693,720
Income tax according to the tax return	21,704,465	87,906,087
Income from investments at fair value		
Investment Income tax	-	14,951,307
Income tax according to the tax return	21,704,466	102,857,394
Actual tax rate	33.6%	27.34%

15-3 Deferred income tax

a- Recognized deferred tax liabilities.

	Financial position Statement		Profit or Loss Statement	
<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>	<u>31/03/2025</u>	<u>31/12/2024</u>
Property, plant & equipment (liability)	12,153,144	9,703,311	2,449,833	1,399,705
Deferred Tax During the Year	12,153,144	9,703,311	2,449,833	1,399,705

b- Unrecognized deferred tax assets

Deffered tax assets for these items have not been recognized

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Provisions	18,514,821	21,748,071
Expected credit loss in trades and other receivables	16,612,548	17,923,352
Impairment losses in inventory	2,172,768	2,172,768
Expected credit loss on Cash and Cash equivalents	670,027	670,027
Expected credit loss on Due from related parties	1,085,804	1,085,804
Total	39,055,967	43,600,022

The deferred tax assets related to net Impairment value on provisions, the impairment in the value of debtors and other debit balances, the impairment in the inventory and Carried forward tax losses have not been recognized due to the lack of a appropriate degree to ensure the existence of sufficient future tax profits through which to benefit from these assets.

LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

15-4 Accrued income tax

In Egyptian Pound

	<u>31/03/2025</u>	<u>31/12/2024</u>
Income tax for the previous year	122,592,131	122,592,131
Income tax payable for the current period	19,254,633	-
Tax authority - Balance brought forward	-	4,047,576
Tax authority-withholding tax	(19,286,650)	(19,024,784)
	<u>122,560,114</u>	<u>107,614,923</u>

16. Inventories

In Egyptian Pound

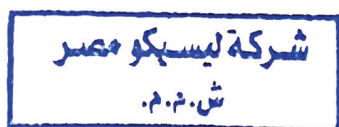
	Note	<u>31/03/2025</u>	<u>31/12/2024</u>
	<u>No.</u>		
Raw materials		109,523,890	137,116,001
Consumables		188,456,104	196,804,848
Work in progress		52,876,701	52,317,567
Finished products		321,371,854	258,076,451
		<u>672,228,549</u>	<u>644,314,867</u>
Impairment of inventory		(9,656,745)	(9,656,745)
		<u>662,571,804</u>	<u>634,658,122</u>
Goods in transit		78,554,721	50,210,542
		<u>741,126,525</u>	<u>684,868,664</u>

Impairment of inventory

In Egyptian Pound

Balance at the beginning of the period / year		9,656,745	9,358,397
Inventory write down during the period / year	(4)	-	298,348
Balance at the end of the period / year		<u>9,656,745</u>	<u>9,656,745</u>

*The company has obtained credit facilities secured buy inventory (Note no. 19)



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

17. Trade and other receivables

<i>In Egyptian Pound</i>	Note No.	<u>31/03/2025</u>	<u>31/12/2024</u>
Trade receivables		668,913,354	578,243,157
Notes receivable		14,608,236	80,843,228
Other trade receivables		55,129,078	32,319,307
Prepayments		9,760,258	5,750,478
Deposits with others		72,278,394	72,552,650
Due from related parties	(29-1)	389,741,616	386,777,162
Value add tax authority		52,644,757	46,077,603
		<u>1,263,075,693</u>	<u>1,202,563,585</u>
Impairment loss in trade and other receivables		(73,833,545)	(74,833,545)
Impairment loss in related parties		(4,825,796)	(4,825,796)
		<u>1,184,416,352</u>	<u>1,122,904,244</u>

Expected credit loss in trades and other receivables

<i>In Egyptian Pound</i>	Note No.	<u>31/03/2025</u>	<u>31/12/2024</u>
Balance at the beginning of the period / year		74,833,545	81,695,263
Formed expected credit loss during the period / year	(8)	6,000,000	-
Used expected credit loss during the period / year		(7,000,000)	-
Reversal of expired expected credit loss during the period / year	(8)	-	(6,861,718)
Balance at the end of the period / year		<u>73,833,545</u>	<u>74,833,545</u>

Expected credit loss in due from related parties

<i>In Egyptian Pound</i>		<u>31/03/2025</u>	<u>31/12/2024</u>
Balance at the beginning of the period / year		4,825,796	-
Formed expected credit loss during the period / year	(8)	-	4,825,796
Balance at the end of the period / year		<u>4,825,796</u>	<u>4,825,796</u>

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LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

18. Cash and cash equivalents

In Egyptian Pound

	<u>31/03/2025</u>	<u>31/12/2024</u>
Bank current accounts	249,300,683	181,808,047
Time deposits	505,800	38,638,400
Cash on hand	6,108,574	5,126,409
Cash and cash equivalents	255,915,057	225,572,856
Less :		
Impairment loss in Cash and cash equivalents	(2,977,896)	(2,977,896)
	252,937,161	222,594,960
Restricted time deposits	(505,800)	(508,400)
Cash and cash equivalents in the statement of cash flows	255,409,257	225,064,456

* Expected credit loss in cash and cash equivalents :

In Egyptian Pound

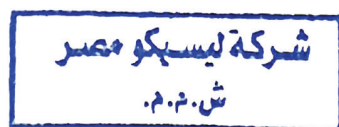
	<u>31/03/2025</u>	<u>31/12/2024</u>
Balance at the beginning of the period /year	2,977,896	-
Formed expected credit loss during the period / year (8)	-	2,977,896
Balance at the end of the period /year	2,977,896	2,977,896

Time deposit balance represents a fixed deposit of USD 10,000 placed with the Arab Africa Bank for period of 12 months at an annual interest rate of 0.56 % .

19. Borrowing

19.1 Banks credit facilities

Bank credit facilities represents credit facilities secured by inventories (Note no. 16) and the total authorized facility limit of overdrafts is EGP 1,165,000,000 as of March 31, 2025 (December 31, 2024: EGP 965,000,000) while unutilized facilities amount is EGP 560,044,501 as of March 31, 2025 (December 31, 2023: EGP 615,299,145) .



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

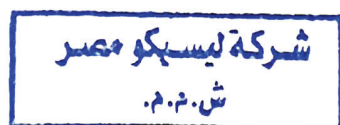
<i>In Egyptian Pound</i>	Utilized Banks credit facilities	
	<u>31 / 03 / 2025</u>	<u>31 / 12 / 2024</u>
- Commercial International Bank	101,725,349	67,770,910
- Qatar National Alahli Bank	77,539,823	81,668,045
- Arab African International Bank	79,804,684	24,612,089
- Attijariwafa Bank	5,456,875	5,440,663
- Abu Dhabi Islamic Bank - mudarbah	183,258,439	62,039,778
- National Bank of Egypt	157,124,095	108,063,305
- Misr Bank-Europe	46,234	106,065
	<u>604,955,499</u>	<u>349,700,855</u>

19.2 Loans

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Balance at the beginning of the period / year	-	9,267,000
Finance cost during the period / year	-	498,078
Pay off the principle of the loan	-	(9,267,000)
Pay off Finance cost during the period / year	-	(498,078)
	<u>-</u>	<u>-</u>

20. Trade and other payables

<i>In Egyptian Pound</i>	Note No.	<u>31/03/2025</u>	<u>31/12/2024</u>
Trade payables		232,723,980	313,040,501
Notes payables		80,051,441	83,610,776
Due to related parties	(29-2)	674,838,397	550,940,976
Other trade payables		7,272,424	5,951,597
Accrued expenses		62,865,328	46,500,597
Social insurance and Tax authority		4,212,473	4,807,479
Dividends payable		26,119,064	389,929
Insurance from third parties		-	211,680,000
Total		<u>1,088,083,107</u>	<u>1,216,921,855</u>



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

21. Provisions

In Egyptian Pound

		Claims provision	
		<u>31/03/2025</u>	<u>31/12/2024</u>
Balance at the beginning of the period /year		96,658,091	99,038,435
Formed provisions during the period / year	(9)	7,630,000	28,597,272
Used provisions during the period / year		-	(30,977,616)
Reversal of expired provision		(22,000,000)	-
Balance at the end of the period /year		<u>82,288,091</u>	<u>96,658,091</u>

- Provisions represent the value of claims for obligations that are not specified in timing or amount in relation to the company's activities. The management reviews these provisions annually and adjusts the amount of the provision according to the latest update, discussions and agreements with those parties. The formed provisions are charged to the standalone statement of profit or loss

- The Company did not disclose all of the information required in accordance with revised Egyptian Accounting Standard as the management assumes that the disclosure of such information would seriously affect the final settlement of those potential claims.

22. Non-cash transactions

For the purposes of preparing the consolidated statement of cash flows, the following have been excluded from the values of assets and liabilities that don't represent a change in cash as follows a statement of the non-cash transactions referred to above:

	<u>31/03/2025</u>	<u>31/03/2024</u>
Treasury Shares dividend	-	(25,388,998)

23. Long Term Notes Payable

The long term notes payable represent the present value of the notes payable issued in favor of vendors of company, with due dates more than one period from the reporting date, discounted at average effective interest rate of the company 20.11 %.

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Face value of long term notes payables	220,031,682	233,649,834
Deduct: long term notes payables to its present value	<u>(69,540,616)</u>	<u>(78,125,064)</u>
	<u>150,491,066</u>	<u>155,524,770</u>

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24. Objectives and policies for risk management of financial instruments

This note presents information on the Company's financial instruments, including:

- An overview of all financial instruments held by the company.
- Specific information on each type of financial instrument.
- Information about determining the fair value of the instruments, including judgments and estimation uncertainties.

The Company's main financial instruments include term deposits and financial investments in financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise financing for the company's operations. The Company has many other financial instruments such as customers and suppliers which arise directly from operations. The main risks arising from the Company's operations are foreign exchange risk and credit risk.

Financial Assets

All financial assets owned by a company are measured at amortized cost using the effective interest rate method and as a result book values are a reasonable approximation of fair value, except for financial investments measured at fair value.

Financial liabilities

All financial liabilities owned by the company are measured at amortized cost using the effective interest rate method and as a result the book amounts are a reasonable approximation of fair value.

The company has the following financial instruments:

	Note	<u>31/03/2025</u>	<u>31/12/2024</u>
<u>Financial asset at</u>	No.	EGP	EGP
<u>amortized cost</u>			
Bank current accounts and Time deposits	(18)	246,828,587	217,468,551
Trade,notes and other receivables	(17)	737,095,517	689,124,795
Due from related parties	(29-1)	384,915,820	381,951,366
		<u>1,368,839,924</u>	<u>1,288,544,712</u>
 <u>Financial liabilities</u>			
Banks credit facilities	(19)	604,955,499	349,700,855
Trade,notes and other payables	(20)	559,523,303	814,374,107
Due to related parties	(29-2)	674,838,397	550,940,976
		<u>1,839,317,199</u>	<u>1,715,015,938</u>

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

All financial assets and liabilities have been classified and measured at amortized cost, and the fair value of all financial instruments does not differ materially from their book value, except for financial assets that are measured at fair value.

For the purpose of disclosure of financial instruments, non-financial assets amounting to EGP 62,369,337 March 31 2025 (December 31 2024 : EGP 51,828,081) have been excluded from other debit balances it was also excluded non financial liabilities amount EGP 4,212,473 (December 31 2024 :EGP 4,807,479) have been excluded from other credit balances.

24.1 Financial Risk Management

Company is exposed to the following risks from its use of financial instruments:

- A. Credit risk
- B. Liquidity risk
- C. Market risk
- D. Currency risk
- E. Interest rate risk
- F. Other market price risk

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

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also identifies and analyzes the risks faced by the Company, sets appropriate risk limits and controls, and monitors risks and adherence to limits.

The Company aims to develop a disciplined and constructive control environment through which all employees understand their roles and obligations.

A- Credit Risk

The Company is exposed to credit risk as a result of the counterparty's failure to fulfill its contractual obligations when due, in respect of the following:

- Trade receivables
- Debtors and other debit balances
 - Due from related parties
 - Employees' accruals
- Advance Payments
- Cash in banks and on hand

Credit risk is the risk that a company will suffer financial loss as a result of the failure of the client or counterparty of a financial instrument to fulfill its contractual obligations, arising mainly from customers. The book value of financial assets represents the maximum credit risk.

The company's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, management also takes into account factors that may affect the credit risk of its customer base, including the risk of default associated with the industry and the sector in which customers operate.

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

For clients, the company has established a credit policy according to which each new client is individually analyzed according to solvency before submitting the entity's standard payment and delivery terms and conditions, and includes a review of financial statements, information about the business and in some cases bank references. Each customer is assigned a credit limit and reviewed periodically.

When monitoring customer credit risk, clients are grouped according to their credit characteristics, history of dealing with the company and the presence of previous financial difficulties.

B- Liquidity risk

Liquidity risk is the risk that the company will not fulfill its obligations according to the contractual term with third parties. The Company's approach to liquidity management is to ensure - whenever possible - that it has sufficient liquidity to meet its obligations on their maturity date in normal and critical circumstances without incurring unacceptable losses or damaging the Company's reputation.

The ultimate responsibility for liquidity risk management lies with senior management who have developed an appropriate liquidity risk management framework to manage the Company's short, medium and long-term funding and manage liquidity requirements.

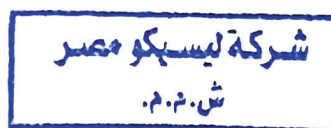
The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and standby borrowing facilities, by continuously monitoring expected and actual cash flows, and by matching asset maturity dates and financial obligations.

Management forecasts cash flows and monitors successive forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs while always maintaining sufficient amount of committed and undrawn credit facilities so that the Company does not violate borrowing limits or undertakings (if any) on any of its borrowing facilities. This forecast considers the company's debt financing plans and compliance with internal rate targets.

C- Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income and expenses or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

D- Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to a change in the foreign exchange rates.

The Company is exposed to foreign currency risk on purchases from foreign suppliers and loans denominated in foreign currency. The currencies giving rise to this risk are primarily US Dollar, Euro, Sterling Pound and South African Rand.

The following table displays the impact of an acceptable possible change in the exchange rates of the US dollar, the euro, the British pound and the South African rand. With all other variables remaining constant, the impact on the company's profits before taxation is due to changes in the value of monetary assets and liabilities. Changes in the exchange rates of all other foreign currencies are considered immaterial.

E- Interest rate risk

The Company adopts a policy to limit the Company's exposure to interest risk, therefore the Company's management evaluates the available alternatives for finance and negotiates with banks to obtain the best available interest rates and credit conditions. Borrowing contracts are presented to the Board of Directors. The finance position and finance cost are periodically evaluated by the Company's management. The Company does not enter into hedging contracts for interest rates.

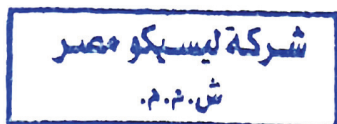
F- Other market price risk

- The company is exposed to risks associated with the pricing of goods from service providers.
- Selling prices exhibit limited volatility
- To manage price risks, the company constantly monitor supply and demand trends in the market to determine the optimal time to enter service agreements.
- The company's management continuously monitors the fluctuations in the prices of key services.

Credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk as follows:

<u>Financial asset at</u>	<u>Note</u>	<u>31/03/2025</u>	<u>31/12/2024</u>
<u>amortized cost</u>	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Bank current accounts and Time deposits	(18)	246,828,587	217,468,551
Trade, notes and other receivables	(17)	737,095,515	689,124,795
Due from related parties	(29-1)	384,915,820	381,951,366
		<u>1,368,839,922</u>	<u>1,288,544,712</u>



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

Liquidity risk

This clarification provides the contractual terms for financial obligations

<u>31/03/2025</u>	Carrying amount <u>EGP</u>	Contractual amount <u>EGP</u>	Less than 1 year <u>EGP</u>	1-2 years <u>EGP</u>	2-5 years <u>EGP</u>
Banks Credit facilities and overdraft	604,955,499	604,955,499	604,955,499	-	-
Trade and other credit balances	409,032,237	409,032,237	409,032,237	-	-
Long term notes payable	150,491,066	220,031,682	-	128,457,279	91,574,403
Due to related parties	674,838,397	674,838,397	674,838,397	-	-
	1,839,317,199	1,908,857,815	1,688,826,133	128,457,279	91,574,403

<u>31/12/2024</u>	Carrying amount <u>EGP</u>	Contractual amount <u>EGP</u>	Less than 1 year <u>EGP</u>	1-2 years <u>EGP</u>	2-5 years <u>EGP</u>
Banks Credit facilities and overdraft	349,700,855	349,700,855	349,700,855	-	-
Trade and other credit balances	661,173,400	661,173,400	661,173,400	-	-
Long term notes payable	155,524,770	233,649,834	-	141,734,577	91,915,257
Due to related parties	550,940,976	550,940,976	550,940,976	-	-
	1,717,340,001	1,795,465,065	1,561,815,231	141,734,577	91,915,257

Exposure to currency risk

The value of assets and liabilities in foreign currency at the date of the statement of financial position equivalent to EGP 1,061,830,708 and EGP 549,424,634 (2024: EGP 1,041,629,166 and EGP 522,736,241) respectively. The amounts in foreign currencies that expose the company to risk on March 31, 2025 are represented in the following, as shown in detail. Balances in foreign currencies, net at the date of the financial position:

<i>Foreign currency</i>	31/03/2025 <u>Surplus</u>	31/12/2024 <u>Surplus</u>
US Dollar	5,559,992	5,083,273
Euro	3,512,961	2,797,042
Sterling Pound	517,178	1,581,322
Rand (South Africa)	2,078,056	4,297,584

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LECICO EGYPT (S.A.E.)**Notes to the Separate interim Financial Statements for the period Ended 31 March 2025**

The following is the average exchange rates during the period:

	Average exchange rate during the period		closing rate at the financial statements date	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
US Dollar	50.49	45.59	50.58	50.84
Euro	53.27	49.24	54.54	52.92
Sterling Pound	64.01	58.35	65.41	63.74
Rand (South Africa)	2.74	2.50	2.77	2.71

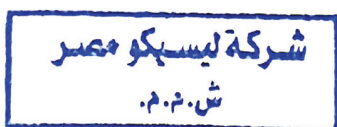
Sensitivity Analysis

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound As of March 31, 2025, 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.

	Profit or Loss	
	Increase	Decrease
US Dollar	14,061,220	(14,061,220)
Euro	9,579,843	(9,579,843)
Sterling Pound	1,691,429	(1,691,429)
Rand (South Africa)	287,811	(287,811)

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound as of December 31, 2024, 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.

	Profit or Loss	
	Increase	Decrease
US Dollar	7,304,772	(7,304,772)
Euro	11,858,760	(11,858,760)
Sterling Pound	5,461,135	(5,461,135)
Rand (South Africa)	889,672	(889,672)



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

Interest rate risk

At the date of separate financial statements, the interest rate profile of the Company's financial instruments was as follows: -

Financial instruments with fixed interest rate

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Financial Assets - Time deposit	505,800	38,638,400
Financial Liabilities - Notes payable	150,491,066	155,524,770
	<u>150,996,866</u>	<u>194,163,170</u>

Financial instruments with variable interest rate

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Monatry Assets - Bank current accounts	249,300,683	181,808,047
Monatry Liabilites & credit facilities	604,955,499	349,700,855
	<u>854,256,182</u>	<u>531,508,902</u>

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. The Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the separate financial statements date would not affect the statement of profit or loss.

Assessment of expected credit losses

The Company customizes each credit risk exposure based on a variety of data that is identified as loss risk statements based on forecasting and expertly applying credit judgment. Credit risk scores are defined using qualitative and quantitative factors that indicate the risk of loss.

Exposure risk for each credit risk category is classified by sector according to industry classification and customer classification and the expected credit loss rate for each sector is calculated based on the status of late payment and actual credit loss experience. These rates are multiplied by gradient factors to reflect the differences between economic conditions during the period in which historical data was collected, current conditions, and the company's view of economic conditions over the expected lifespan of customer balances.

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Measurement of Expected Credit Losses for trade receivables

The company assigns each exposure a credit risk rating based on the data identified to predict loss risks (including, but not limited to, external ratings and management accounts). A simplified approach has been used in measuring credit risk for customer and receivables items by categorizing customers into groups with similar characteristics, determining the historical period used to calculate the loss rate, which ranges from two to five years, and establishing the loss rate based on historical data while considering expected changes in macroeconomic indicators (such as growth rate, inflation rate, and unemployment rate). These rates are then multiplied by numerical factors to reflect the differences between economic conditions during the years in which the historical data was collected and current conditions.

the following table represent information about credit risk & credit loss for trade receivables and other debit balance :

	31/03/2025			31/12/2024		
	Expected credit loss rate	Book Value	Loss Value	Expected credit loss rate	Book Value	Loss Value
trade & note receivables						
Not Due	-	570,287,314	-	-	527,966,078	-
0 - 90 Days	16%	41,672,002	6,773,364	12%	19,602,596	2,401,133
91 - 180 Days	35%	3,594,059	1,241,155	25%	1,154,470	289,196
181 - 270 Days	63%	1,946,781	1,227,608	4%	11,735,423	443,992
271 - 360 Days	69%	4,583,315	3,153,300	15%	31,718,376	4,789,781
more than 360 Days	100%	61,438,119	61,438,118	100%	66,909,443	66,909,443
Total		683,521,590	73,833,545		659,086,386	74,833,545

Category	Company's definition of category	Basic for expected credit loss provision.
Performing	Other receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measures at its expected lifetime.
Under performing	Other receivables which have a significant increase in credit risk a significant increase in credit risk is presumed if repayments are 90 days past due	Lifetime expected losses.
Non-performing	Repayment are 120 days past due.	Lifetime expected losses
Provision	Repayments are 360 days past due and there is no reasonable expectation of recovery.	Asset is written off

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Fair Value of Financial Instruments

- As at March 31,2025 and December 31,2024 the fair values of the Company's financial instruments have been estimated to approximate their book value because the financial instruments are short-term in nature and do not carry any interest, except for short-term deposits at prevailing market rates and are expected to be realized at their present book value within twelve months from the date of the financial position.
- "Fair value" is the price that will be received for the sale of an asset or paid for the transfer of an obligation in a structured transaction between market participants on the date of measurement in the asset or, in its absence, in the most advantageous market that the Company has access on that date. The fair value of liabilities reflects the risk of non-performance.
- A number of accounting policies and disclosures require a company to measure the fair values of both financial and non-financial assets and liabilities.
- The company has consistent practices regarding the measurement of fair values. Management is fully responsible for overseeing all significant fair value measurements, including the third fair value level.
- Management regularly reviews significant unnoteworthy inputs and evaluation adjustments. If third party information is used, such as broker quotes or pricing services. To measure fair value, management evaluates evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Egyptian Accounting Standards including the level in the fair value hierarchy at which these valuations should be classified.

When measuring the fair value of an asset or liability, evaluators use market data that is as observable as possible. Fair values are classified into different levels in the fair value sequence based on the inputs used in valuation methods as follows:

Level I: Prices listed (unadjusted) in active markets for similar assets or liabilities

Level II: Inputs other than the prices listed are included in the first level and can be observed for the asset or liability either directly (e.g. prices) or indirectly (i.e. derived from prices)

Level III: Asset or liability inputs that are not based on observable market data (unobserved inputs)

If the inputs used to measure the fair value of an asset or liability fall at different levels of the fair value hierarchy, then the entire fair value measurement is classified at the same level of the fair value hierarchy as the lowest level of input as it is important for the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

nominal values minus any estimated credit adjustments to assets and liabilities with a maturity of less than one year are expected to approximate their fair value. The fair values of non-current financial obligations are considered to be close to their book values because they carry interest rates, which are based on market interest rates.

25. Share capital and reserves

25.1 Authorized capital

The authorized capital was determined to be EGP 500 million distributed to 100 million shares with par value of EGP 5 per share.

25.2 Issued and paid up capital

The issued capital was determined and to be EGP 400 million (four hundred million Egyptian pounds) divided to 80 million shares (eighty million shares) nominal share with par value of EGP 5 (five Egyptian pounds) per share fully paid.

The company's capital structure consists of:

<u>Shareholder Name</u>	<u>Group %</u>	<u>No. of Shares</u>
Intage Holding Limited and its related	%43.63	34,907,903
Al Olayan Saudi Arabia Investment Limited	%19.1	15,278,385
Others	%37.27	29,813,712
Total	%100	80,000,000

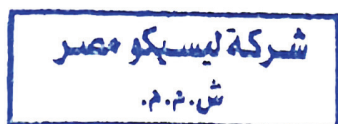
- The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regards to the Company's residual assets. All rights relating to shares temporarily held by the company (treasury shares) if any are suspended until those shares are reissued.

- Capital management

The policy of the company's board of directors is to maintain a strong capital in order to maintain the confidence of investors, creditors and the market, as well as to meet future developments of the activity.

The company's board of directors monitors the return on capital, which the company determines as net profit for the year divided by total equity. The company's board of directors also monitors the level of dividends for shareholders.

There are no changes in the company's capital management strategy during the period. The company is not subject to any external requirements imposed on its own capital.



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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

25.3 Reserves

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Legal Reserve *	72,410,417	50,915,481
Capital Increase Reserve	4,000,000	4,000,000
Other Reserves	1,571,486	1,571,486
Special Reserve	181,943,608	181,943,608
Land Revaluation Surplus **	42,901,149	42,901,149
	<u>302,826,660</u>	<u>281,331,724</u>

* Legal reserve

According to the Companies' Law and the Company's statutes the Company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 20% of the issued share capital based on company's statutes. The reserve is undistributable, however, it can be used to increase the share capital or offset losses. If the company continuous to set aside 5% of the issued share capital , the reserve falls below the defined level (20% of the issued share) .

** Land revaluation surplus

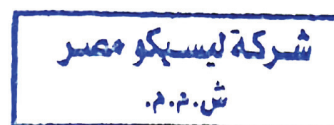
Land revaluation surplus is represented in the adjusted value of Khorshid & Abou-Quir land that was modified to reevaluate the book value of company's assets with its market value at the date of revaluation in the year 1997. The revaluation result was included in the revaluation surplus in the shareholders' equity. That surplus is undistributable or transferable to capital.

Legal reserve has been increased with an amount of 21,494,936 EGP from the profit of year 2024 according to the degree of general assembly held on march 27, 2025.

26. Treasury shares

On March 18, 2023 the senior management approve to purchased 3,200,000 shares of the company's shares at a price of EGP 7.934 per share through the capital market, which represents 4% of the company's capital issues and traded in stocks exchange market.

On November 11, 2023, the Board of Directors of Lecico Egypt decided to approve the distribution of all previously purchased treasury shares to the company's shareholders as free shares, and legal and administrative measures have been taken for that and excluded on January 12,2024.



LECICO EGYPT (S.A.E.)

Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

27. Capital commitments

There is capital commitments for the company as of March 31,2025 amounted 3,866,952 EGP (December 31,2024 amounted 4,451,581 EGP).

28. Contingencies liabilities

<i>In Egyptian Pound</i>	<u>31/03/2025</u>	<u>31/12/2024</u>
Uncovered portion of letters of guarantee	13,519,390	5,460,927
Letters of credit	42,518,002	29,052,339
	<u>56,037,392</u>	<u>34,513,266</u>

29. Related parties

Related parties are represented in the Company' shareholders, board of directors, executive directors and Companies in which they own directly or indirectly shares giving them significant influence over these Companies. The Company made several transactions during the year with related parties and these transactions have been done in accordance with the terms determined by the Company's management and have been approved by the Company's Ordinary General Assembly.

A summary of significant transactions concluded during the period at the separate financial position date were as follows:

<i>Party</i>	<i>Nature</i>	<i>Nature</i>	<u>2025</u> <u>Transaction</u> <u>Amount</u>	<u>2024</u> <u>Transaction</u> <u>Amount</u>
Lecico PLC	A subsidiary	Sales	87,708,809	239,031,324
Lebanese Ceramic Industries Co.	A subsidiary	Sales	3,205,941	10,031,379
Lecico for Trading & Distribution Ceramics	A subsidiary	Sales	43,410,019	157,748,769
Lecico South Africa	A subsidiary	Sales	7,423,238	15,343,833
Lecico Poland	A subsidiary	Sales	2,321,443	3,727,017
Burg Armaturen Fabrik	A subsidiary	Purchase	1,951,635	8,915,009
Lecico for Ceramics Industries	A subsidiary	Sales	6,802,487	30,463,209
Lecico for Ceramics Industries	A subsidiary	Purchase	165,438,862	513,856,575
Sarreguemines	A subsidiary	Sales	7,050,098	48,679,740
European Ceramics Co.	A subsidiary	Sales	4,887,575	21,616,652
European Ceramics Co.	A subsidiary	Purchase	3,452,606	2,376,269
International Ceramics Co.	A subsidiary	Sales	44,668,300	143,829,330
International Ceramics Co.	A subsidiary	Purchase	54,477	-
Ceramic Management and Services Limited	A subsidiary	Technical consultations	11,601,231	-

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LECICO EGYPT (S.A.E.)**Notes to the Separate interim Financial Statements for the period Ended 31 March 2025****29-1 Due From Related Parties*****In Egyptian Pound***

	<u>31/03/2025</u>	<u>31/12/2024</u>
Lecico PLC	84,079,931	78,925,281
Lebanese Ceramic Industries Co.	156,867,402	162,246,249
Lecico for Trading & Distribution Ceramics	31,183,220	32,775,489
Lecico South Africa	16,043,524	11,646,452
Lecico Poland	11,269,851	9,166,304
Burg Armaturen Fabrik	2,793,812	-
Sarreguemines	57,240,988	64,072,008
European Ceramics Co.	30,262,888	27,945,379
Total Due From Related Parties	<u>389,741,616</u>	<u>386,777,162</u>
Impairment loss in related parties	<u>(4,825,796)</u>	<u>(4,825,796)</u>
	<u>384,915,820</u>	<u>381,951,366</u>

29-2 Due to Related Parties***In Egyptian Pound***

	<u>31/03/2025</u>	<u>31/12/2024</u>
Ceramic Management and Services Limited	11,601,231	-
Lecico For Financial Investments	2,811,723	2,812,308
T.G.F for Consulting & Trading	2,375,616	2,473,049
Burg Armaturen Fabrik	-	7,256,205
International Ceramics Co.	64,626,201	56,504,649
Lecico for Ceramics Industries	593,423,626	481,894,765
Total Due to Related Parties	<u>674,838,397</u>	<u>550,940,976</u>

29-3 The top management payments:

The top management is represented by the Board of Directors and the main managers of the company. The salaries and benefits that were paid to the senior management during the financial period amounted to:

29-3-I Top management payments

	<u>2025/03/31</u> <u>EGP</u>	<u>2024/12/31</u> <u>EGP</u>
Board of Directors Benefits and Allowances	15,000	60,000
	<u>15,000</u>	<u>60,000</u>

29-3-II Executive management payments

	<u>2025/03/31</u> <u>EGP</u>	<u>2024/12/31</u> <u>EGP</u>
Salaries and benefits	29,074,209	31,778,221
	<u>29,074,209</u>	<u>31,778,221</u>

30. Tax status

The following is the Company's tax status as of March 31, 2025, according to the opinion of the Company's tax administration.

First: Corporate income tax

The company submits tax returns on the legal dates in accordance with the provisions of the law and pays all tax obligations,

- The final settlement was made, and all tax obligation was paid from inception till 2012.
- The company's records were examined from 2013 till 2015 and an appeal committee was formed. The points were referred to the committee.
- The company's record were examined from 2016 to 2019, the work of an internal committee is underway.
- The company's records were not examined from 2020 to date.

Second: Payroll tax

The company submits tax returns on the legal dates in accordance with the provisions of the law and pays all tax obligations,

- The tax examination was completed and all tax obligations were paid until 2022.
- The company's records were not examined from 2023 to date.

Third: Stamp tax

- The final settlement was made, and all tax obligation arisen was paid from inception until 2020.
- The company's records were not examined from 2021 to date

Fourth: Sales tax \ Value added tax

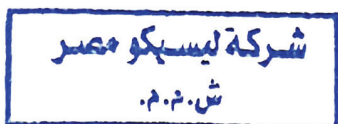
The company submits tax returns on the legal dates in accordance with the provisions of the law and pays all tax obligations, if any.

- The tax examination was completed and all tax obligations were paid from inception till 2020.
- The company's records were not examined from 2021 to date.

Fifth: Real estate tax

- All tax obligations were paid until 2021.
- A temporary exemption was issued from real estate tax for industrial companies for 3 years.

The company's management believes the tax provisions are sufficient to cover any potential tax liabilities.



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The company is committed to providing the master file, the local file and the report at the country level for each of its commercial and financial transactions to modify the transactions in favor of Egyptian tax authority in accordance with the united tax revenue law no. 206 of 2020 and its amendments.

31. Material Accounting Policies

The accounting policies mentioned below have been applied to periods presented in the separate financial Statements.

31-1 Foreign currency translation

31-1-1 Foreign currency transactions

- Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction.
- 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 at the exchange rate when the fair value was determined.
- Non - monetary assets and liabilities 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:
 - Financial assets at fair value through OCI (except 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.

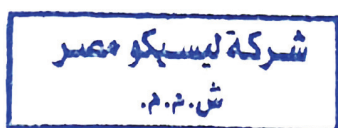
31-2 Revenue from contracts with Customers

Revenue from contracts with customers is recognized by the company based on five step - 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 Company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.



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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 Company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Company expects to receive in exchange for each performance obligation satisfaction.

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

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

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

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

When the Company 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 Company, revenue and costs can be measured reliably, where appropriate.

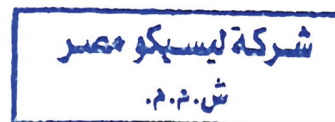
The application of Egyptian Accounting Standard No. (48) requires management to use the following judgements: -

Satisfaction of performance obligation

- The Company should assess all contracts with customers to determine whether performance obligations are satisfied over a period or at a point in time in order to determine the appropriate method for revenue recognition. The Company estimated that, and based on the agreement with customers, the Company does not arise asset has alternative use to the Company and usually has an enforceable right to pay it for completed performance to the date.
- In these circumstances, the Company 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 Company must determine the price of the transaction in its agreement with customers, using this judgement, the Company 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 Company 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 (EAS) No. 48 has resulted in:

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

The Company selected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Company considers the use of the input method, which requires recognition of revenue based on the Company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Company 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 Company 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 Company 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 Company 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

a. Product sales

Management evaluated the impact of applying the standard by applying the model referred to above and concluded that the current basis for revenue recognition is still appropriate because the only performance obligation is to deliver the quantities sold to its customers , whether domestic or export , since according to the agreements concluded with customers , the company transfers control over the quantities sold to customers according to the following :

Local sales : The date of authorization for the goods to leaves the company's gates.

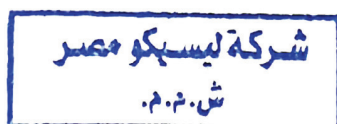
Export Sales : according to shipping term.

The value of revenue is measured by fair value of consideration received or due to the facility.

Revenue is realized when there is sufficient economic benefits that will flow to the facility ,and the value of this revenue can be measured accurately No revenue is recognized in the event that not certain that the consideration will be recovered for this or cost associated with it.

b. 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



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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

c. Dividends

Dividends income is recognized in the separated statement of profit or loss on the date the Company's right to receive payments is established.

d. Gain on sale of investments

The gain on sale of financial investments are 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.

31-3 Employees benefits

31-3-1 Short term employee benefit

Short term employee benefit are recognize as an expense when the related service is provided. The amount expected to be paid is recognize as a liability when the company has a legal or implicit obligation to pay this amount and the obligation can be changed to a reliable degree.

31-3-2 Workers' pension system

The company contributes to the governmental social insurance system for the benefit of its employees in accordance with the Social Insurance Law. Employees and employers under this law contribute to the system with a fixed percentage of wages. The company's commitment is limited to the value of its contribution, and the company's contributions are charged to the income statement according to the accrual basis.

31-4 Finance income and finance costs

The Company's finance income and finance costs include:

interest income;

interest expense;

Dividends;

Impairment loss for financial assets other than trade receivables;

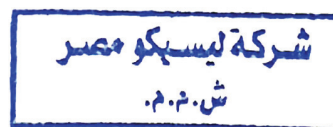
Losses of hedging contracts for foreign exchange rates;

Interest income or expense is recognized using the effective interest method.

Dividends are recognized in the profit or loss statement at the date of declaration of these dividends.

31-5 Income tax

The current tax and the deferred tax are recognized as revenue or as an expense in the profits or losses of the period, except in cases where the tax arises from a process or event that is recognized - in the same period or in a different period - outside the profits or losses, whether in other comprehensive income or within equity. direct or business combination.



31-5-1 Current income tax

Current taxes for the current period and previous periods that have not yet been paid are recognized as a liability, but if the taxes that have already been paid in the current period and previous periods exceed the value due for these periods, then this increase is recognized as an asset. The values of current tax liabilities (assets) for the current and prior periods are measured at the value expected to be paid to (recovered from) the tax administration, using tax rates (and tax laws) that are in force or about to be issued at the end date of the financial period. Dividends are taxed as part of the current tax. Offsetting tax assets and liabilities is only made when certain conditions are met.

31-5-2 Deferred tax

Deferred tax is recognized for temporary differences between the accounting basis of assets and liabilities and the tax basis of those assets and liabilities. Deferred tax is recognized for all temporary differences expected to be taxable except for the following:

- First recognition of goodwill,
- Initial recognition of the asset or obligation of the process that:

(1) Not a compilation of works.

and (2) does not affect the net accounting profit or tax profit (tax loss).

- Temporary differences associated with investments in subsidiaries, sister companies and shares in joint ventures to the extent that the timing of reversing these temporary differences can be controlled and it is likely that such differences will not be reversed in the foreseeable future.

A deferred tax asset arising from the carrying forward of tax losses, the right to unused tax deduction and temporary deductible differences are recognized when there is a strong possibility of future taxable profits from which that asset can be used. The future tax profit is determined by the company's future business plan. The position of unrecognized deferred tax assets is reassessed at the end of each fiscal period and deferred tax assets that have not previously been recognized are recognized to the extent that it is likely in the future that there will be a tax profit that allows the value of the deferred tax asset to be absorbed. Deferred tax is measured using the tax rates expected to be applied when temporary differences are realized, using tax rates in force or in the process of being issued.

When measuring deferred tax at the end of the financial period, the tax effects of the procedures followed by the company for recovery or payment of the book value of its assets and liabilities are taken into account.

Tax assets and liabilities are not cleared unless certain conditions are met.

31-6 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average method. The cost also includes other expenses incurred by the company to bring the inventory to its location and its current condition.

The net realisable value is determined on the basis of the expected selling price under normal circumstances, minus the estimated costs required to complete the sale.

Any impairment in the value of the inventory caused by a decrease in the net realisable value of the inventory is recognized in its book value, as are all other inventory losses, as an expense in the year in which the decrease or loss occurs.

31-7 Fixed assets and depreciation**31-7-1 Recognition and measurement**

Items of fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of fixed assets have different useful lives, then they are accounted for as separate items (major components) of fixed assets.

Any gain or loss on disposal of an item of fixed assets is recognised in profit or loss.

31-7-2 Subsequent expenditure

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

31-7-3 Depreciation

The depreciable value of a fixed asset – which is the cost of the asset – is depreciated according to the straight-line method over the estimated useful life of each type of fixed asset, and depreciation is charged to profits or losses. Land is not depreciated

The estimated useful lives of fixed assets for current and comparative periods are as follows:

<u>Asset</u>	<u>Estimated useful lives</u> <u>(Years)</u>
Buildings and constructions	20 - 40
Machinery and equipment	3-10
Vehicles	5
Tools	5
Furniture & office equipment	10
Computers	5

The methods of useful lives and the estimated value of assets are reviewed on the date of the financial statements.

Improvements in leased assets are depreciated over the term of the contract or its useful life, whichever is less. The depreciation method and useful lives of fixed assets are reviewed at the end of each fiscal period, and modified if necessary.

31-8 Projects under construction

All expenditures directly attributable to bringing the asset to a working condition for its intended use are recorded in projects under construction. Whenever the assets are completed and are ready for their intended use, it will be transferred to fixed assets caption. Projects under construction are recorded at cost and it is not depreciated unless it was transferred to fixed assets.

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31-9 Intangible assets

the recognition and initial measurement of this item represent the cost of acquiring software expected to be used, either through sale or operation. It is recorded at cost less accumulated depreciation and impairment losses. Depreciation begins once the software is ready for use, based on an estimate made by the management, which is prepared according to expectations regarding the benefits from the sale or operation of the software. This study should be reviewed periodically to verify the future benefit of such software and its potential for sale or operation. Depreciation is calculated using the straight-line method if future benefits are confirmed. If there is no certainty regarding the future benefit of these expenses, depreciation is calculated over the remaining useful life of the asset. The depreciation expense is recognized in the income statement as it is incurred and allocated to the operating costs benefiting from the software .

The useful life of intangible assets :

Computer Software

5 years

31-10 Financial instruments

A- Financial assets

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 Company becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FAIR VALUE through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 fair value through profit or loss:

- 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.

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A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- 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 Company 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 fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

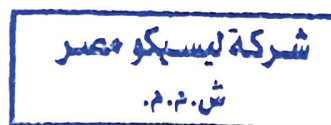
Financial assets

The Company 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 Company'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 de-recognition are not considered sales for this purpose, consistent with the Company'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 fair value through profit or loss.



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 Company 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 Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company’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 fair value through profit or loss	Financial assets at fair value through profit or loss 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 de-recognition is recognized in profit or loss.
Equity investments at fair value through other comprehensive income	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 fair value through other comprehensive income	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 de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial Liabilities

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

Derecognition from Books

Financial Assets

A financial asset is derecognized by the company when the contractual right to receive cash flows from the financial asset has expired, or when it has transferred the contractual right to receive cash flows from the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset. Alternatively, if the company has not transferred or retained substantially all the risks and rewards of ownership of the financial asset and has not retained control, the asset is also derecognized. The company may enter into transactions that involve transferring recognized assets in its statement of financial position, while retaining all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities

A financial liability is derecognized when it is extinguished, either through settlement, cancellation, or expiration of the term specified in the contract. The company also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liabilities differ significantly; in this case, a new financial liability is recognized based on the modified terms at fair value.

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

31-11 Share capital

31-11-1 Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised 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".

31-11-2 Repurchase of share capital (Treasury shares)

When the shares of the issued capital are repurchased, the amount paid for the repurchase, which includes all direct costs related to the repurchase, is recognized as a reduction of equity. Shares repurchased are classified as treasury shares and are shown deducted from equity. When selling or re-issuing treasury shares, the amount collected is recognized as an increase in shareholders' equity, and the surplus or deficit resulting from the transaction is presented within the issuance premium.

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31-12 Impairment

Non-derivative financial assets

Financial instruments and assets arising from the contract

The Company recognizes expected credit loss for the following items:

- Financial assets that are measured at amortized cost.
- For investments in debt instruments that are measured at fair value through other comprehensive income.
- Assets arising from the contract.

The Company measures the loss at an amount equal to the lifetime ECL of the financial asset, except for the following, which are measured at an amount equal to the 12-month ECL:

Debt instruments that are determined to have low credit risk at the reporting date.

Other debt instruments and bank balances in which credit risk (ie the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition.

Commercial customer losses and assets arising from contracts are always measured at an amount equal to their lifetime expected credit losses.

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

The Company assumes that the credit risk of a financial asset has increased significantly if it has been past due for collection for a period of more than 30 days.

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

- It is unlikely that the Borrower will pay its credit obligations to the Company in full, without recourse on the part of the Company to measures such as liquidation of the collateral (if any); or
- The financial asset according to the terms of payment and the nature of each customer sector separately and in light of the study of expected credit losses prepared by the company. The Company considers debt instruments to have low credit risk when their credit risk rating is equal to the globally understood definition of "investment grade".

Lifetime expected credit losses are the expected credit losses that result from all possible failure events over the expected life of the financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-month period 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 expected credit losses is the maximum contractual period over which the company is exposed to credit risk.

Measure expected credit losses

It is a probability-weighted estimate of credit losses. The present value of all cash shortfalls is measured (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive).

Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt instruments measured at fair value through other comprehensive income are credit impaired. A financial asset is considered "credit-impaired" when one or more events occur that have a detrimental effect on the estimated future cash flows of the financial asset.

Evidence indicating credit impairment of financial assets includes observable data:

Significant financial difficulty for the lender or issuer.

a breach of contract such as defaulting on or being more than 120 days past due and a restructuring of a loan or advance by the Company on terms that the Company will not otherwise observe, and the Borrower is likely to enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

Display expected credit losses in the statement of financial position

The loss allowance for financial assets that are measured at amortized cost is deducted from the total amount of the carrying amount of the assets.

For debt securities that are measured at fair value through other comprehensive income, the loss allowance is charged to profit or loss and recognized in other comprehensive income.

Debt write-off

The total gross book value of a financial asset is written off when the company has no reasonable expectations of recovering all or part of the financial asset. For individual clients, the Company has a policy of writing off the gross book value when the financial asset is more than two years due based on previous experience in recovering similar assets. For corporate clients, the Company makes an assessment on its own as to the timing and amount of write-offs based on whether there is a reasonable expectation of recovery. The Company does not expect any significant recovery from the amount written off. However, financial assets that have been written off may still be subject to compliance activities in order to comply with the Company's procedures for recovery of amounts owed.

31-13 Provisions

Provisions are valued at the present value of expected future cash flows discounted at a before tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. An increase in the carrying amount of a provision resulting from the use of discounting to create a present value that reflects the passage of time is recognized as a borrowing cost

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

31-14 Cash and cash equivalents

Cash and cash equivalents include cash balances and time deposits. For the purposes of preparing the statement of cash flows, cash and cash equivalents are defined as cash balances in the fund, current accounts with banks, term deposits, and treasury bills, which do not exceed three months. Overdraft bank balance, which is paid upon request, is considered part From the company's management of cash

31-15 Dividends

Dividends are recognized as a liability in the period in which the dividends are announced. The Value of provisions is determined as the present value of expected future cashflows discounted at pretax discount rate that reflects current market assessment of the time value of money and risks specified to the liability . The increase in the carrying value of the provision resulting from the use of discounting to find present value , which reflects the passage of time is recognized as a borrowing cost.

31-16 Loans

Borrowings are initially recognized at fair value, net of transaction costs incurred. They are subsequently measured at amortized cost, with any difference between the proceeds (net of transaction costs) and recoverable value recognized in profit or loss over the life of the loans using the effective interest method.

31-17 Borrowing cost

Borrowing costs related to the acquisition ,construction or production of a qualifying asset , which require a long period of time to prepare it for use for its intended purposes or for sale , are capitalized as part of the cash of the asset . other borrowing costs are charged as an expense in the year in which they are incurred. Borrowing costs are represented by interest costs and other costs that the company spends to borrow money.

31-18 Investments in subsidiaries

Subsidiary companies are the entities in which the "Company" investor has the ability to control its financial and operating policies of the entity this ability exists by possessing half of the voting power or more in the related subsidiary.

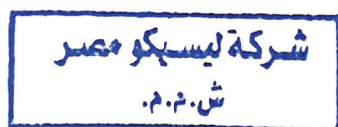
Investments in subsidiaries are stated – when acquired – at its acquisition cost. If a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such impairment and will be charged to the statement of profit or loss for each investment.

31-19 Basic share in profit or loss

The company offers basic share price for its common stock. Basic share per share is calculated by dividing the profit and loss related to the shareholders for their contribution to the company's ordinary shares by the weighted average number of ordinary shares outstanding during the period.

31-20 Statement of cash flows

The statement of separate cash flows is prepared according to the indirect method.



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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

31-21 Lease contracts

1- Determine whether the arrangement contains a rental contract or not

At the inception of the arrangement, the company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement containing a lease, the Company separates the payments and other consideration required by the arrangement into those of the lease and those of other components on the basis of their relative fair values.

If the company concludes in a finance lease that it is not possible to reliably separate the payments, then the asset and liability are recognized at an amount equal to the fair value of the underlying asset; After that, the obligation is reduced when the payments are made, and the financing cost is recognized, calculated on the obligation, using the company's incremental borrowing rate.

2- Leased assets

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership to the Company are classified as finance leases. Leased assets are initially measured at an amount equal to the lower of the fair value of the fair value and the present value of the minimum lease payments. After initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

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

3- Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of outstanding obligations. Finance expenses are charged for each lease period to reach a constant periodic rate of interest on the remaining balance of the liability.

32. Merger of Lecico Egypt (Egyptian Joint Stock Company)

According to the minutes of the Board of Directors meeting of Lecico Egypt (the holding company) held on September 17, 2024, approval was granted for the decision of the committee formed by the General Authority for Investment and Free Zones, which was approved on July 24, 2024. This decision grants permission for the merger of Lecico Egypt (Egyptian Joint Stock Company) (the merging company) with Lecico Ceramic Industries (Egyptian Joint Stock Company) (merged company), International Ceramics Company (Egyptian Joint Stock Company) (merged company) and European Ceramics Company (Egyptian Joint Stock Company) (merged company). This merger will be based on the book values according to the financial statements of the merging company and the merged companies as of December 31, 2022, which were taken as the basis for the merger. The net equity of Lecico Egypt (the merging company) as of December 31, 2022, is set at EGP 222,718,920.

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

The net equity for the merged companies is Lecico Ceramic Industries (merged company) with amount of EGP 34,470 and International Ceramics Company (merged company) with amount EGP 29,720 and European Ceramics Company (merged company) with amount EGP 14,120.

On October 29, 2024, the Financial Regulatory Authority (FRA) approved the publication of the disclosure report, and procedures are being taken to invite an Extraordinary General Meeting (EGM) for Lecico Egypt (the merging company) to decide on the merger of Lecico Ceramic Industries (merged company), International Ceramics Company (merged company), and European Ceramics Company (merged company) into Lecico Egypt (merging company). This will also involve the transfer of all the rights and obligations of the merged companies to the merging company in connection with the merger, based on the book values of the net equity of the merging and merged companies as shown in the financial statements as of December 31, 2022, which were the basis for the merger according to the valuation committee's report.

Furthermore, the merging company will replace the merged companies with all their rights and obligations legally, as the successor of those companies. The authorized capital after the merger will be EGP 200,000,000 (Two Hundred Million Egyptian Pounds), which is the sum of the net equity of the merging company and the merged companies, after allocating EGP 22,797,230 to be transferred to the reserves in the merging company.

Additionally, the nominal value of the share after the merger will be changed to EGP 2.5 (Two Egyptian Pounds and Fifty Piastres) instead of EGP 5.0 (Five Egyptian Pounds).

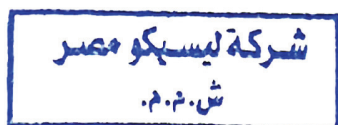
33. Important events

The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, April 17, 2025, to reduce key interest rates by 225 basis points, bringing the overnight deposit and lending rates to 25% and 26%, respectively. It also decided to reduce the credit and discount rates by 225 basis points, bringing them to 25.5%.

34. New Editions and Amendments to Egyptian Accounting Standards:

On 6 March 2024, the Prime Minister's Decree No. (883) of 2024 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards,

On October 23, 2024, the Prime Minister issued Decision No. 3527 of 2024, which introduces and adds the new Egyptian Accounting Standard No. (51) titled "Financial Statements in Hyperinflationary Economies."



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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
The new Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies."	The impact on the financial statements has not yet been determined until the application date is specified.	This standard must be applied to financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary. This standard applies to financial statements, including independent and individual financial statements for any entity whose functional currency is in an economy classified as hyperinflationary. It also applies to any group that has foreign operations, including branches, subsidiaries, sister companies, joint ventures, or others in an economy classified as hyperinflationary. This standard requires the adjustment of financial statements prepared in the currency of a hyperinflationary economy,	A decision will be issued by the Prime Minister or an authorized representative to specify the start and end dates for the financial period(s) during which this standard must be applied when the functional currency is the local currency, taking into account the following: (a) This standard must be applied to the financial statements of the entity starting from the beginning of the financial period in which the economy is classified as hyperinflationary. Comparative figures presented in the financial statements must be adjusted in accordance with the requirements of this standard. (b) As an exception to the requirements of paragraph 39 of Egyptian Accounting Standard No. 1, personal estimates may be used when applying this standard for accounting for foreign operations, such as branches, subsidiaries, sister companies, or joint ventures, to determine whether the economy is hyperinflationary. (c) This standard must be applied to all entities whose functional currency is the currency in which the economy has been classified as hyperinflationary. The impact on financial statements has not yet been determined until the application date is specified. This standard must be applied to the financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary.

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

		aiming to provide useful information about the financial position of the entity, its performance, and changes in its financial position for a wide range of users to make economic decisions based on a fair presentation of the financial statements.	
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	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, early adaption is allowed.

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts".	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 financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position,	The management assessed the new amendments and conducted that there would be no expected impact in the financial statements.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024 , and at amended until 1 st of January 2025 and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.

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Notes to the Separate interim Financial Statements for the period Ended 31 March 2025

	financial performance, and cash flows. 2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 3-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: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ".		
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