



شركة سيدى كيرير للبترول وكيماويات
Sidi Kerir Petrochemicals Co.

Date : 14/8/2025

Attention: The Egyptian Exchange
greeting,

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

Kind regards.....

Mohamed Fathy Aamer
Financial Control General Manager



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

Financial Statements

And limited review’s Report

For the Financial Period Ended

June 30, 2025

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

Financial Statements

And limited review’s Report

For the Financial Period Ended

June 30, 2025

Contents

	Page
Auditor's limited review report	1
Statement of financial position	3
Statement of profit or loss	4
Statement of comprehensive Income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8

Contents

	Page
Auditor's limited review report	1
Statement of financial position	3
Statement of profit or loss	4
Statement of comprehensive Income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8



Limited Review Report on the Interim Financial Statements

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

Introduction

We have performed a limited review for the accompanying financial position of Sidi Kerir Petrochemicals (Sidpec) "S.A.E" attached herewith as at June 30, 2025, and the related statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended. And a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial information in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on this interim financial information based on our limited review.

Limited Review Scope

We conducted our limited review in accordance with the Egyptian Standard on limited review engagement No 2410 "Limited review of Financial statements performed by the auditor of the entity", a limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures, a limited review is substantially less in scope than an 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 financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly in all material respects the financial position of Sidi Kerir Petrochemicals (Sidpec) "S.A.E" as at June 30, 2025 and its financial performance and cash flow for the six months then ended in accordance with Egyptian Accounting Standards.





We would like to refer to:

- 1- The legal dispute concerning the 70 acres related to the in-kind shares provided by the Egyptian Petrochemicals Company since the company's establishment has not yet been resolved
- 2- The long-term investments, have not been accounted for using the equity method, despite the existence of significant influence, in accordance with the requirements of Egyptian Accounting Standard No. 18 additionally, the financial statements did not include the fair value of investments in equity instruments (Note 5), as required by Egyptian Accounting Standard No. 47 (Note 8) .
- 3- The impairment of the propylene project, carried forward from prior years at a cost of approximately 282 million Egyptian pounds (Note 6), which represents the payment made for the UOP license, has not been assessed.

Date: 14/08/2025

Nasr A. Ahmed – Morison Global

Accountants & Auditors Registration no. 5518

Auditors Registration in Financial Regulatory Authority no. 106





Auditor's report

On the corporate governance report

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

To / The Financial Supervisory Authority

Introduction:-

We tested the report on the extent of compliance with the rules of governance prepared by the management of Sidi Kerir Petrochemical Company (S.A.E) for the financial Period ending on June 30, 2025.

Management responsibility

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

Auditor responsibility

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





Conclusion:

The report on the extent of compliance with the rules of governance referred to above expresses fairly and clearly in all its important aspects the extent of the company's compliance with the rules of governance during the financial Period ending on June 30, 2025, based on the instructions issued by the Financial Supervisory Authority and the Egyptian Guide to Corporate Governance issued by the Egyptian Center of Directors and their Relevant laws and decisions.

Dated: 14 August 2025

Nasr A. Ahmed – Morison Global

Accountants & Auditors Registration no. 5518

Auditors Registration in Financial Regulatory Authority no. 106



Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**Statement of financial position****As at June 30, 2025**

Translation from Originally Issued in Arabic

	<u>Note</u> <u>No.</u>	<u>30/6/2025</u> <u>EGP</u>	<u>31/12/2024</u> <u>EGP</u>
Non-current assets			
Fixed assets (Net)	4	1370 629 976	1319 935 066
Right of use assets	5	419 796	784 461
Projects under constructions	6	980 941 348	862 165 030
Real estate investments	7	13 396 214	13 396 214
Non-current investments	8	2682 618 626	2603 482 526
Total non-current assets		5048 005 960	4799 763 297
<u>Current Assets</u>			
Inventories (Net)	9	2333 691 552	2242 488 120
Trade and notes receivable	10	330 151 966	237 420 720
Due from related parties	11	1447 034 441	1980 332 142
Advance payments	12	23 764 370	25 282 301
Other debit balances	13	1247 186 814	1108 649 074
Current investments	14	345 592 070	455 684 491
Cash and cash equivalents	15	3483 849 307	3264 653 813
Total Current Assets		9211 270 520	9314 510 661
Total Assets		14259 276 480	14114 273 958
<u>Equity</u>			
Issued and paid-up capital	16	1814 400 000	1814 400 000
Advance payment for capital increase		453 600 000	-
Legal reserve		907 200 000	756 000 000
Other reserves	17	2505 417 256	2230 417 256
Foreign currency translation (losses)		-	(451 641 883)
Retained earnings		383 503 423	223 658 962
Net profits for the period		1027 403 135	2539 389 559
Total equity		7091 523 814	7112 223 894
<u>Non Current Liabilities</u>			
Loans	22	994 587 690	1099 853 351
Finance lease liabilities		422 001	422 001
Long term provision	18	250 000 000	250 000 000
Deferred tax liabilities	19	170 928 676	211 943 640
Total Non Current Liabilities		1415 938 367	1562 218 992
<u>Current Liabilities</u>			
Loans	22	857 939 243	536 211 467
Bank credit facilities	22	1938 257 940	1258 723 755
Finance lease liabilities		151 153	612 491
Trade payables		116 133 476	129 419 209
Due to related parties	20	1623 431 669	2006 352 774
Other credit balances	21	1001 019 090	848 287 494
Income tax		214 881 728	660 223 882
Total Current Liabilities		5751 814 299	5439 831 072
Total equity and liabilities		14259 276 480	14114 273 958

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

Accountant/ Mohamed Fathy Amer

Accountant / Mohamed Adly Elbarbary

Engineer / Mohamed Ibrahim

General Director of Financial Control

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

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"
Statement of profit or loss
For the financial period ended June, 30 2025

Translation from Originally Issued in Arabic

		<u>Financial period</u> <u>from 1/1/2025</u>	<u>Financial period</u> <u>from 1/1/2024</u>	<u>Financial period</u> <u>from 1/4/2025</u>	<u>Financial period</u> <u>from 1/4/2024</u>
	<u>Note</u>	<u>to 30/6/2025</u>	<u>to 30/6/2024</u>	<u>to 30/6/2025</u>	<u>to 30/6/2024</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Sales from company's operations		6 535 316 060	6 095 729 671	3 457 318 341	2 749 068 871
Sales of commercial units		1 016 021 528	578 889 585	482 440 895	459 649 292
Net sales	(23-1)	7551 337 588	6674 619 256	3939 759 236	3208 718 163
Less:					
Cost of sales from company's operations		5088331877	4770187611	2746130911	2150443925
Cost of sales of commercial units		963824660	437525887	490830063	365477994
Net cost of sales	(24-1)	6052 156 537	5207 713 498	3236 960 974	2515 921 919
Gross Profit		1499 181 051	1466 905 758	702 798 262	692 796 244
Less:					
Marketing expenses	(24-2)	80 300 913	76 331 123	22 349 111	24 192 544
General and administrative expenses	(24-3)	298 569 575	290 832 513	111 463 039	99 699 174
Provisions	(24-4)	8 753 015	44 574 565	-	21 114 268
Other expenses	(24-5)	25 306 347	18 219 733	11 974 119	8 708 637
Finance expenses and interest	(24-6)	204 157 384	107 648 182	103 876 445	64 694 871
Foreign currency losses	24-7)	-	21 602 665	-	23 739 421
Total		617 087 234	559 208 781	249 662 714	242 148 915
Add:					
Investment income	(23-2)	17 749 341	352 549 267	9 067 417	240 962 133
Other operating income	(23-3)	19 730 666	18 105 032	12 085 828	6 934 658
Other income	(34-4)	18 868 364	3 269 554	5 298 139	1 466 343
Credit interests	(23-5)	244 338 141	223 011 750	137 119 552	101 410 123
Foreign exchange differences	(23-6)	18 489 568	-	12 076 574	-
Operating income		319 176 082	596 935 603	175 647 510	350 773 257
Net profit before tax		1201 269 899	1504 632 579	628 783 060	801 420 586
Income tax		214 881 728	277 637 947	125 538 142	134 794 129
Deferred tax		(41 014 965)	1 477 592	62 560 012	582 829
Net Profit After Taxes		1027 403 135	1225 517 040	440 684 905	666 043 628
Earnings Per Share		1.01	1.45	0.44	0.79

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

Accountant/ Mohamed Fathy Amer

General Director of Financial Control

Accountant / Mohamed Adly Elbarbary

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

Engineer / Mohamed Ibrahim

**Chairman of the Board and Managing
Director**

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"
Statement of Comprehensive Income
For the financial period ended June, 30 2025

Translation from Originally Issued in Arabic

	<u>Financial period</u>	<u>Financial period</u>	<u>Financial period</u>	<u>Financial period</u>
	<u>from 1/1/2025</u>	<u>from 1/1/2024</u>	<u>from 1/4/2025</u>	<u>from 1/1/2024</u>
	<u>to 30/6/2025</u>	<u>to 30/6/2024</u>	<u>to 30/6/2025</u>	<u>to 30/6/2024</u>
	<u>EGP000</u>	<u>EGP000</u>	<u>EGP000</u>	<u>EGP000</u>
Net profit for the period after tax	1 027 403	1 225 517	440 688	666 044
Other comprehensive income				
Foreign currency translation (losses)	-	(444 297)	-	-
Total Comprehensive Income for the period	1 027 403	781 220	440 688	666 044

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

Sidi Kerir Petrochemicals (Sidpec) "S.A.E"**Statement of cash flows****For the financial period Ended June, 30 2025**

Translation From Originally Issued in Arabic

	<u>30/6/2025</u>	<u>30/6/2024</u>
	<u>EGP</u>	<u>EGP</u>
Cash flows from operating activities		
Net profit before tax and extraordinary items	1 201 269 899	1 504 632 579
Adjustments to reconcile net profit to cash flow From operating activities		
Depreciation	44 284 207	29 848 373
Provisions	8 753 015	44 574 565
Credit interests	(244 338 140)	(223 011 750)
Investment income	(17 749 341)	(352 549 267)
(losses) due to assets disposal	(1 563 244)	-
Debit interests	204 157 385	107 648 182
Foreign currency (losses)/ gain	(18 489 569)	21 602 665
Operating profit before changes in working capital	1 176 324 212	1 132 745 346
Changes in trade, notes receivables and other receivables	262 439 202	705 349 793
Changes in inventories	(91 203 432)	(555 353 398)
Changes in trade and notes payable	(732 508 600)	163 574 963
Cash flow from operating activities before extraordinary items	615 051 382	1 446 316 704
Proceeds from credit interests	281 947 385	217 385 184
Payments for debit interests	(209 687 692)	(102 329 851)
Payments of income tax	(463 308 142)	(121 452 672)
Net cash (used in) operating activities	224 002 933	1 439 919 365
Cash flows from investing activities		
Payments for purchase of fixed assets	(213 390 770)	(168 144 640)
Proceeds from fixed assets	1 563 244	-
Current investments	110 092 421	1 302 421 976
Non-current investments	(79 136 100)	(289 958 007)
Net cash (used in) investing activities	(180 871 205)	844 319 329
Cash flows from financing activities		
Dividends payable	(733 538 956)	(258 863 021)
Loans	264 973 133	(70 398 588)
Finance lease liabilities	(461 338)	(441 919)
Current bank credit facilities	700 245 992	118 153 882
Cash flows (used in) financing activities	231 218 831	(211 549 646)
Cash flows from all activities	274 350 559	2 072 689 048
Foreign exchange gains/losses	(52 463 532)	291 639 423
Expected credit losses for cash and equivalents	(2 691 533)	(13 706 580)
Net increase (decrease) in cash and cash equivalents during the year	219 195 494	2 350 621 891
Cash and cash equivalents at the beginning of the period	3 264 653 813	684 977 841
Cash and Cash Equivalents at the end of the period	3 483 849 307	3 035 599 732

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

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

Statement of Changes in Equity

For the financial period June, 30 2025

Translation from Originally Issued in Arabic

	Capital	Legal reserve	Other reserves	Advance payment for capital increase	Retained Earnings	Net Profit for The period	Foreign exchange losses	Total
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
Balance as at January 1, 2024	1 512 000	630 000	1 530 350		118 999	2 458 697		6 250 046
Foreign exchange losses (comprehensive income) 2024	-	-	-	-	-	-	(444 297)	(444 297)
Applying EAS no. (5)	-	-	-	-	-	-	-	-
Transferred to legal reserves	-	126 000	-	-	-	(126 000)	-	-
Transferred to other reserves	-	-	700 067	-	-	(700 067)	-	-
Transferred to retained earnings	-	-	-	-	126 367	(126 367)	-	-
Dividends for year 2023	-	-	-	-	-	(1 203 863)	-	(1 203 863)
Bonus shares	-	-	-	302 400	-	(302 400)	-	-
Net profit for the period ended June 30, 20254	-	-	-	-	-	1 225 517	-	1 225 517
Balance as at December 31, 2024	1 512 000	756 000	2 230 417	302 400	245 366	1 225 517	(444 297)	5 827 403
Balance as at June 30, 2024	1 814 400	756 000	2 230 417	-	223 659	2 539 390	(451 642)	7 112 224
Foreign exchange losses (comprehensive income) 2025	-	-	-	-	-	(451 642)	451 642	-
Applying EAS no. (5)	-	-	-	-	139 036	-	-	139 036
Transferred to legal reserves	-	151 200	-	-	-	(151 200)	-	-
Transferred to other reserves	-	-	275 000	-	-	(275 000)	-	-
Transferred to retained earnings	-	-	-	-	20 809	(20 809)	-	-
Dividends for year 2024	-	-	-	-	-	(1 187 139)	-	(1 187 139)
Bonus shares	-	-	-	453 600	-	(453 600)	-	-
Net profit for the period ended June 30, 2025	-	-	-	-	-	1 027 403	-	1 027 403
Balance as at March 31, 2025	3 326 400	907 200	2 505 417	453 600	383 504	1 027 403	-	7 091 524

1- Background:

- Sidi Kerir Petrochemicals (Sidpec) Is an Egyptian Joint Stock Company established under the investment incentives and guarantees law no. (8) of 1997 and related executive regulations as replaced by law no. (72) of 2017, and under law no. (159) of 1981 with regarding to law no. (9 5) of 1992.
- **Registration in the Commercial Registry**
The company was registered in Alexandria Investment Commercial Registry under no. 145404 on November 18, 1997.
- **Capital structure:**
 - Authorized capital: EGP 5100 billion.
 - Issued and paid-up capital: EGP 1814400000.
 - The company’s issued shares are registered as central depository amounted to 907200000 million shares with nominal value of EGP 2 per share.
- **Registration in the Stock Exchange:**
 - The company is listed in the Egyptian Stock Exchanges on 19/3/2005 and the trading of shares in the Stock Exchanges starts from 3/7/2005.

Purpose of the company:

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

Duration of the company:

- The duration of the company is twenty-five years starting from the date of its registration in the commercial register.
- The duration of the company was extended until the year 2047an was registered in the commercial register on 17/5/2022 .

Head office:

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

- **Chairman and Managing Director:**

Engineer / Mohamed Mohamed Ibrahim

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

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

2-1- Basis of preparation of the financial statements

Statement of compliance

- The financial statements are prepared in accordance with the Egyptian Accounting Standards and the relevant Egyptian regulation
- The financial statements were prepared by the Company’s management, then the audit committee present it to the Board of Directors to authorize for issue and approved on 21, July 2025.
- foreign currency is translated at the transaction’s exchange rate date, and the statement of financial position date, monetary assets and liabilities in foreign currencies are translated into Egyptian pounds using the exchange rate prevailing at the date of the statement of financial position, with any resulting exchange differences recognized in the income statement.
- According to the decree of Prime Minister no. (1711) for year 2024, provisionally approved the recognition of debit currency differences arising from foreign currency liabilities at the exchange rate date at the end of 6 March 2024 or at the closing date within the cost of these assets
- Also , permitted to recognize exchange differences resulting from the translation of monetary assets and liabilities into foreign transactions on March 6, 2024 or at the closing date within the items of comprehensive income.
- Financial obligations that have been designated as a hedging instrument to cover the risk of net investment in a foreign activity as long as the hedging is effective.
- Hedging instruments used in cash flow risk are translated as long as the hedge is effective.

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

2-2Basis of measurement

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

2-3 Functional and presentation currency

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

2-4 Use of Estimates and assumptions

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

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

2-5 Statement of cash flow

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

2-6 Comparative figures

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

3- Significant accounting policies

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

3-1 Foreign currency transactions

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

3-2 Discontinuing operation

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

3-3 Property, plant and equipment

A- Recognition and initial measurement:

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items, and restoring the site on which they are located and capitalized borrowing costs.

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

B-Subsequent costs on the acquisition

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

C-Depreciation

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

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

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

D-Capital gains and losses from the exclusion of fixed assets

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

3-4 Borrowing costs

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

3-5 Right of use assets

A-Recognition and initial measurement:

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

B-Right of use assets subsequent measurement:

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

C-Depreciation

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

3-6 Projects under construction

- Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction, projects under construction are measured at cost less accumulated impairment losses. No depreciation is charged until the project is completed and transferred to fixed asset.
- All expenses related to cost include direct and necessary to prepare the asset to the state that is ready to use and in the purpose for which it was acquired. The asset is transferred from projects under construction to fixed assets when it is completed and ready to use.

3-7 Real estate investments

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

3-8 Long term investments

- Long-term investments are recorded at cost at the acquisition date upon loss of significant influence, if the recoverable amount of any such investment declined below its carrying amount, the carrying amount is reduced by the amount of the impairment, which is recognized in the income statement, this assessment is made individually for each investment
- The investor (the company) loses significant influence over the investee when it no longer has the power to participate in the decisions regarding the investee's financial and operating policies
- Loss of significant influence may occur regardless of whether there is a change in absolute or relative ownership levels, this may happen, for example, when the associate becomes subject to governmental, judicial, administrative trustee, or regulatory authority control. It may also occur based on a contractual arrangement.

3-9 Financial investments at fair value through profit or loss

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

3-10 Inventories

- Inventories are stated at the lower of cost or net realizable value. The net realizable value is estimated at the selling price in normal activity, less the expected cost of completing those items, in addition to the selling expenses for that inventory. The cost of inventory is represented in the cost of acquisition and in addition to the necessary costs associated with the inventory to its location which to be ready for use. Cost of inventories are determined according to the following:
- **A-Raw material and spare parts:** according to its actual cost that have been incurred in bringing the inventories to their present location and condition. Cost is determined in accordance with the weighted average cost method.
- **B-Finished goods:** are determined at the lower of manufacturing overhead cost or net realizable value.

3-11 Trade receivables, and other receivables

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

3-12 Related party transactions

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

3-13 Financial instruments

A-Financial instruments other than derivatives

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

B-Impairment

B-1)Financial assets

- The carrying values of financial assets are reviewed at the date of the financial statements for the purpose of determining whether there is any impairment in their value. A financial asset is considered impaired if there is objective evidence that one or more events have had a negative impact on future cash flows from the use of this asset.
- The impairment test for significant financial assets is carried out individually at the level of each asset. As for other financial assets, which can and can be classified into groups in light of the characteristics of credit risk, the impairment test is conducted at the level of groups that share the same credit risk characteristics.
- All impairment losses are recognized in the income statement. The accumulated losses related to a financial asset available for sale that were previously recognized in equity are transferred to the income statement if the decrease in its value indicates a decrease in the value of the financial asset available for sale.
- Impairment losses are refunded if it can be linked objectively to an event that occurred after the recognition of impairment losses related to financial assets measured at amortized cost and financial assets that are considered a debt instrument in the income statement. Impairment losses in the value of financial assets available for sale are refunded by equity

B-2) Non-financial assets

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

3-14 Financial policies have been implemented starting 2021- Egyptian accounting standards No.47

Impairment of financial assets

- The company reviews financial assets, excepts for assets that are measured at fair value, to estimate the extent of impairment in their value through three phases
 - 1- **Phase one:** the financial assets that are not encountered significant encountered significant increase in credit risk and credit loss over for 12 months is calculated
 - 2- **Phase two:** the financial assets that encountered significant increase in credit risk and credit loss over their useful life is calculated
 - 3- **Phase three:** the financial assets that are impaired and credit loss is calculated over its useful life, loss is their difference between the net book value of the assets and the expected future cash flow from this asset.

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

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

3-15 Financial Instruments and risk management

Liquidity risk:

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

Market risk:

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

Foreign currency risk:

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

Interest rate risk:

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

3-16 Cash and equivalent

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

3-17 Capital management

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

3-18 Legal reserve

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

3-19 Lease contract obligation

A-Initial recognition

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

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

B-Subsequent measurement of the lease obligation

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

3-20Provisions

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

3-21Income and deferred Tax

A- Income tax

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

B-Deferred tax

- Deferred tax is recognized as an asset or liability in the financial position, arising from temporary time differences between the book value of assets and liabilities according to the tax basis.
- Tax Law No. 91 for 2005 came with a tax depreciation system that led to a difference in accounting profit from tax profit due to the different periods of recovery of fixed asset values, and since tax depreciation leads to depreciation of asset values at periods less than accounting depreciation, which leads to the deportation of tax obligations to financial periods in which it becomes, the tax profit and tax obligations are not commensurate with the accounting profit, and those periods are charged with tax obligations resulting from previous periods. It is followed by periods in which the accounting depreciation is greater than the tax depreciation, and in this case, the previously created tax obligations are used.

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

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

3-22 Trade and other payables

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

3-23 Revenue from contracts with customers

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

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

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

Step 3: Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring.

Promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract. If the contract contains more than one performance obligation, the company will allocate the transaction price to each obligation at an amount reflecting the consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

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

Revenue recognition

- Revenue is measured at the fair value of the consideration received or receivable, arising from the sale of goods, excluding value-added tax (VAT), discounts, and rebates .
- Revenue is recognized when it can be reliably measured, when it is probable that the economic benefits associated with the sale will flow to the company, when the related

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

costs (whether incurred or to be incurred) can be measured reliably, and when other specific conditions related to each of the company's activities, as outlined below, are met

Goods sold

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

3-24 Investment income

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

3-25 Finance income

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

3-26 Expenditures

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

Lease payments

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

Pension Plan

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

Finance costs

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

3-27 Shares profitability

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

3-28 Employees' share of profits

- In accordance with the companies law and the basic regulations of the company, 10% of the company's profits are distributed to employees provided that they do not exceed the total annual wages for them, the employees' share in profits is recognized as a dividend distribution in the statement of changes in equity and as a liability in the financial year in which such profits are approved
-

Translation from Originally Issued in Arabic

1 Fixed Assets

	Land*	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and furnishings	Tools & Supplies	Total	Right of use assets
Cost:								
Cost as at January 1, 2025	272669885	329113869	2754019166	29283568	201389870	62371544	3648847902	4432671
Additions during the period	-	24419026	22996358	-	47041738	157330	94614452	-
Account adjustments during the period	-	-	-	(583 550)	-	-	(583 550)	-
Cost as at June 30, 2025	272669885	353532895	2777015524	28700018	248431608	62528874	3742878804	4432671
Accumulated Depreciation as at January 1, 2025	-	242364081	1925693405	11814275	93805948	55235124	2328912834	3648211
Depreciation during the period	-	2475741	22970692	1988194	15790473	694442	43919542	364665
Account adjustments during the period	-	-	-	(583 550)	-	-	(583 550)	-
Accumulated Depreciation as at June 30, 2025	-	244839822	1948664097	13218919	109596421	55929566	2372248826	4012876
Net Book Value as at June 30, 2025	272669885	108693073	828351427	15481099	138835187	6599308	1370 629 979	419795
Net Book Value as at December 31, 2024	272669885	86749788	828325761	17469293	107583922	7136420	1 319 935 069	784460

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

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

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

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

5- Right of use assets

Vehicles

Cost at the beginning of the period

Proceeds during the period

Cost as at June 30, 2025

Accumulated amortization

Accumulated amortization, beginning balance

Add: amortization during the period

Accumulated amortization as at June 30

Right of use assets (Net)

The financial impact of applying EAS related to finance lease no. (49) Lease contracts

Right of use assets recognized on statements of income for the period ending June 30, 2025

Amortization for the period

Interest of financial lease

Total

6- Projects under construction

Propylene project and utilities

Resources management system (ERP)

Steam energy generation Project

Development of administrative buildings

Developing the cybersecurity system

Gas reduction and metering station

Camera systems for factories and buildings

Net

7- Property investments

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

The value of lands allocated for right of use (cost)

Total

	<u>30/6/2025</u>	<u>31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
Cost at the beginning of the period	4 433	4 433
Proceeds during the period	-	-
Cost as at June 30, 2025	<u>4 433</u>	<u>4 433</u>
<u>Accumulated amortization</u>		
Accumulated amortization, beginning balance	3 648	2 762
Add: amortization during the period	365	886
Accumulated amortization as at June 30	<u>4 013</u>	<u>3 648</u>
Right of use assets (Net)	<u>420</u>	<u>785</u>
The financial impact of applying EAS related to finance lease no. (49) Lease contracts		
Right of use assets recognized on statements of income for the period ending June 30, 2025		
Amortization for the period	365	886
Interest of financial lease	127	449
Total	<u>492</u>	<u>1 335</u>
6- Projects under construction	<u>30/6/2025</u>	<u>31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
Propylene project and utilities	281 553	281 553
Resources management system (ERP)	4 566	5 752
Steam energy generation Project	592 674	477 059
Development of administrative buildings	15 525	24 915
Developing the cybersecurity system	30 096	30 096
Gas reduction and metering station	27 360	27 360
Camera systems for factories and buildings	29 167	15 430
Net	<u>980 941</u>	<u>862 165</u>
7- Property investments		
The property investments represent the value of the allocated land as right of use, according to the contract with the Egyptian Company for Ethylene and its Derivatives during year 2012		
	<u>30/6/2025</u>	<u>31/12/2024</u>
	<u>EGP000</u>	<u>EGP000</u>
The value of lands allocated for right of use (cost)	13 396	13 396
Total	<u>13 396</u>	<u>13 396</u>

8- Long-term investment	Percentage of shares	30/6/2025	31/12/2024
		EGP000	EGP000
Egyptian Ethylene and Derivatives Company -Ethedco	20%	958 303	958 303
Petrochemicals Logistic Services Company-PLS	20%	43 607	43 607
Wood Technology Company-Wotech	28%	1 304 214	1 220 421
Red Sea National Petrochemicals Company	5%	234 378	234 378
Alexandria for Clerk Fiber Company	20%	57 310	57 310
The Egyptian company for organic ethanol	7.50%	101 088	101 088
Alexandria Supply Chain Company	23%	41 029	45 686
less:			
Provision for investment risk		(57 310)	(57 310)
Total		2 682 619	2 603 483

- * Wood Technology Company increased its issued capital from 132 Million Euro to 199 million Euro by amount of 67 million Euro within the authorized capital , and the share of Sidi Kerir Petrochemicals Company amounted to about 18,760 million Euro and 88 % from the second increase has been paid through during 2024-2025.
- * Red Sea Company recalled 50% of its issued capital amounted to 600 million Dollars, during the financial year 2021, and Sidi Kerir Petrochemicals Company share amounted to about 15 million Dollars, equivalent to 234,378 million Pounds.
- * The contribution of the company in the paid up capital of the Egyptian company for Ethylene is 7.5% amounting to 3.180 million dollars It is one of the green projects that supports sustainability to reduce carbon emissions, and it has been paid in full
- * The decisions of the Ordinary General Assembly of the Iskanria Fiber Company were issued and a judicial liquidator was appointed for the company, who assumed his responsibilities. The Ordinary General Assembly of the company was invited to convene on 12-28-2023 and issued its decision to authorize the liquidator, Mr. Abdullah Muhammad Al-Adly, or whomever he delegates, to terminate the company's contract and erase the record. Commercial and termination of liquidation ,there is no redemption value for the investment in Alexandria Fiber Company (under liquidation) and a full provision for the investment value has been made during previous years with a total of 57,310 million EGP

9- Inventories	30/6/2025	31/12/2024
	EGP000	EGP000
Chemicals and packaging materials	360 621	307 374
Spare parts inventory and auxiliary materials	849 015	803 917
Raw materials & equipment inventory	153 314	79 141
Available for sale inventory	705 218	608 605
Finished goods inventory	265 524	443 451
Total	2 333 692	2 242 488

			<u>30/6/2025</u>	<u>31/12/2024</u>
			<u>EGP000</u>	<u>EGP000</u>
10- Trade and notes receivable				
Polyethylene trade receivables			223 364	237 885
Ethalin trade receivables			-	2 385
Polymer trade receivables from raw materials -imported			109 713	-
Total			333 077	240 270
Less :				
Expected credit loss			(2 925)	(2 849)
Total			330 152	237 421
11- Due from related parties	The Period 2025 transactions by million	Kind of transactions	<u>30/6/2025</u> <u>EGP000</u>	<u>31/12/2024</u> <u>EGP000</u>
Egyptian General Petroleum Corporation (EGPC)	794	Selling naphtha ethylene products	730 963	1 232 959
The Egyptian Holding Company for Petrochemicals	17	Technical assistance and product distribution	95 359	105 366
The Egyptian Ethylene and Derivatives Company (ETHYDCO)	-	Usufruct, supply and sale of raw materials	-	-
Styrenks Company	-	Technical services	124 448	130 564
Petrochemicals Logistic Services Company	-	Miscellaneous expenses.	-	14
Ebram company	-	Miscellaneous expenses.	-	1 376
The Egyptian Linear Alkyl Benzene Co. (ELAB)	-	Miscellaneous expenses.	-	122
Amerya company	-	Miscellaneous expenses.	-	185
Arab Petroleum Pipelines Company (SUMED)	-	Nahda road	-	408
The Egyptian company for organic ethanol	-	Miscellaneous expenses.	-	2 958
Red Sea Company	-	Polypropylene License	554 567	558 225
Wood Technology Company	-	Miscellaneous expenses.	-	56
Egyptian Soda Company	-	Miscellaneous expenses.	-	152
Other (development of civil protection buildings with the private sector)	-	Miscellaneous expenses.	-	317
Total			1 505 337	2 032 702
Less:				
Expected credit losses			(58 303)	(52 370)
Total			1 447 034	1 980 332
12 Advance payments			<u>30/6/2025</u> <u>EGP000</u>	<u>31/12/2024</u> <u>EGP000</u>
UOP Company			8 797	8 797
Paralloy limited			14 773	14 773
Future house			-	1 518
ABB Industrial system and Power			195	195
Total			23 765	25 283

13	Other debit balances		30/6/2025	31/12/2024
			EGP000	EGP000
	Value added tax refundable		276 562	289 052
	Accrual deposit interests		26 222	53 832
	Advanced payments for suppliers and constructors		454 365	83 719
	Employees loans		103 567	139 610
	Income tax prepayments		280 759	445 711
	Prepaid expenses		83 818	69 040
	Sales tax "Vat" from Customs Department		31 455	24 194
	Pension systems		-	3 000
	Deposit with others		563	563
	Total		1 257 311	1 108 721
	Less:			
	Expected credit losses		(125)	(72)
	Total		1 257 186	1 108 649
14	Current investments		30/6/2025	31/12/2024
			EGP000	EGP000
	Investment Certificates	14/1	270 651	253 398
	Treasury bills	14/2	74 941	202 286
	Total		345 592	455 684
14/1-	Financial investments through profit and losses		30/6/2025	31/12/2024
			EGP000	EGP000
	Investment Certificates		270 651	253 398
	Total		270 651	253 398
14/2-	Treasury bills at amortized cost		30/6/2025	31/12/2024
			EGP000	EGP000
	Treasury bills		80 000	212 650
	Less :			
	Unrealized gain		(5 059)	(10 364)
	Total		74 941	202 286
15	Cash and cash equivalents		30/6/2025	31/12/2024
			EGP000	EGP000
	Time deposits	15/2	3 180 930	3 006 066
	Cash at banks	15/1	325 448	278 017
	Governmental payment system		133	540
	Total		3 506 511	3 284 623
	Less:			
	Expected credit losses		(22 661)	(19 970)
	Total		3 483 850	3 264 653

15/1	Cash at banks	30/6/2025	31/12/2024
		EGP000	EGP000
	Current Account – EGP	288 201	252 608
	Current Account – USD	37 247	25 409
	Total	325 448	278 017

15/2	Time deposits	30/6/2025	31/12/2024
		EGP000	EGP000
	Time deposits– EGP	1 216 120	873 150
	Time deposits – USD	1 964 810	2 132 916
	Total	3 180 930	3 006 066

* Balances in foreign currencies were revalued at the balance sheet date based on the exchange rate of EGP 49.55/ Dollars

** Deposits appearing in the financial statements include 900 million EGP held as collateral against open documentary credits

*** Deposits appearing in the financial statements include 4.5 million USD held as collateral against open documentary credits

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

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

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

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

	Earnings per share:	30/6/2025	31/3/2024
		EGP000	EGP000
*	Net profit according to the income statement	1 027 403	1 225 517
**	Less:		
	Legal reserve , Employee's profit share and the board of directors	(114 177)	(129 052)
	Net	913 226	1 096 465
	The weighted average for number of shares	907 200	756 000
	Earnings per share	1.01	1.45

17	Other reserves			30/6/2025	31/12/2024
				EGP000	EGP000
	Capital reserve			5 417	5 417
	Investment reserve			1 525 000	1 525 000
	Regular reserve			975 000	975 000
	Total			2 505 417	2 505 417
18	Provisions			30/6/2025	31/12/2024
				EGP000	EGP000
	Potential claims provision			250 000	250 000
	Total			250 000	250 000
18/1	Provisions			30/6/2025	31/12/2024
				EGP000	EGP000
	Beginning balance			250 000	246 000
	Used during the period			-	(22 593)
	Additions			-	26 593
	Ending balance			250 000	250 000
The company did not disclose the usual information related to provisions in accordance with Egyptian Accounting Standard No. 28, as management believes that such disclosure would affect the outcome of dealings with other parties					
19	Deferred tax			30/6/2025	31/12/2024
				EGP000	EGP000
	Beginning balance			211 943	196 382
	Deferred tax for the period			(41 015)	15 561
	Ending balance			170 928	211 943
20	Due to related parties	The period 2025 transactions by million	Kind of transactions	30/6/2025	31/12/2024
				EGP000	EGP000
	Egyptian Natural Gas Company (Gasco)	3961	Raw material supply	1 236 750	1 599 844
	Egyptian Petrochemicals Holding Co	237	supplies	379 867	295 391
	Petrojet company	-	services	-	332
	Misr insurance	51	services	-	-
	Logistics Services Company for Petrochemicals	6	supplies	400	-
	Egyptian Ethylene and derivatives company (ETHYDCO)	166	Usufruct, supply and sale of raw materials	3 711	110 774
	Petromaint	77	supplies	2 703	-
	Petrotrade	237	services	-	-
	Total			1 623 431	2 006 352
21	Other credit balances			30/6/2025	31/12/2024
				EGP000	EGP000
	Trade receivables in advance			257 335	222 468
	Deposits from others			28 045	25 667
	Accrued expenses			76 673	360 395
	Social contribution for medical insurance			19 630	36 820
	Social insurance			4 051	25
	Dividend creditors			453 600	-
	Due to tax Authorities (other than general income tax)			31 744	175 443
	Medical System			30 904	27 445
	End-of-service benefits schemes			97 084	-
	Debtors- Scraps			1 951	24
	Total			1 001 018	848 287

22	Loans and bank credit facilities	30/6/2025	30/6/2025	31/12/2024	31/12/2024
	Loans	EGP000	USD000	EGP000	USD000
	National Bank long-term installments	612 654	12 132	627 862	12 364
	National Bank long-term installments (CHP)	381 934	7 563	471 991	9 295
	National Bank accrued loan installments during the year	247 750	4 906	507 800	10 000
	National Bank accrued loan installments during the year(CHP)	130 675	2 588		
	National Bank of Kuwait Loan-short term	395 375	7 829	-	-
	National Bank of Kuwait Loan-short term	61 258	-	-	-
	Accrued deposit interests	22 881	453	28 411	559
	Total	1 852 527	35 471	1 636 064	32 218

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

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

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

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

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

	31/3/2025	31/3/2025	31/12/2024	31/12/2024
Bank credit facilities	EGP000	USD000	EGP000	USD000
NBK credit facility USD	409 684	8 068	216 922	4 272
Ahli united bank credit facility USD	513 045	10 103	555 109	10 932
Export development Bank credit facilityUSD	63 140	1 243	152 470	3 002
NBK credit facility EGP	2 811	-	61 209	
Export development Bank credit facility EGP	919 577	-	273 014	-
Total	1 908 257	19 415	1 258 724	18 206

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

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

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

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

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

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

23	Revenue :-	Quantity sold	30/6/2025	30/6/2024
23/1	Sales (net)		EGP000	EGP000
	Ethylene	13 830	789 882	687 341
	Poly -ethylene*	93 961	5 250 947	4 809 103
	Unprocessed petroleum gas	13 882	336 570	410 310
	Biotin	1 264	87 761	120 948
	Naphtha	347	4 208	31 233
	Ethan	17	1 752	13 860
	CO2	11 716	3 729	750
	LPG Unit Returns	3 427	60 467	22 184
	Net importer for sale	21 439	1 016 022	578 890
	Total		7 551 338	6 674 619
	Poly -ethylene*	Quantity sold	30/6/2025	30/6/2024
		Tons	EGP000	EGP000
	Local sales	37 618	2 212 520	2 661 824
	Export	56 049	3 029 293	2 143 684
	Waste production	294	9 133	3 595
	Total	93 961	5 250 946	4 809 103
23/2	Investment revenue		30/6/2025	30/6/2024
			EGP000	EGP000
	Right of use		17 749	7 924
	Investments in Athedico company		-	344 625
	Total		17 749	352 549
20/3	Other operating revenues		30/6/2025	30/6/2024
			EGP000	EGP000
	Revenue from scrape production		19 731	18 105
	Total		19 731	18 105
20/4	Other income		30/6/2025	30/6/2024
			EGP000	EGP000
	Other miscellaneous revenue		10809	3270
	Compensations		6497	-
	Capital gain		1563	-
	Total		18 869	3 270
20/5	Credit Interest		30/6/2025	30/6/2024
			EGP000	EGP000
	Interest from deposits treasury & investments documents		244338	223012
	Total		244 338	223 012
20/6	Foreign currency gain		30/6/2025	30/6/2024
	Foreign currency gain		18490	-
	Total		18 490	-

21	Expenditures		
21/1	Cost of goods sold	30/6/2025	30/6/2024
		EGP000	EGP000
	Salaries & wages	679 783	722 666
	Raw materials & supplies	3 507 240	3 174 577
	Service requirements	695 444	826 351
	Depreciation	27 939	23 658
	Add - finished goods beginning balance	443 450	289 103
	Less - finished goods ending balance	(265,524)	(266,167)
	Cost of imported product for sale	963,825	437 526
	Total	6 052 157	5 207 714
21/2	Marketing expenses	30/6/2025	30/6/2024
		EGP000	EGP000
	Salaries & wages	16 943	21 961
	Tools and equipment	7	5
	Service equipment	63 351	54 365
	Total	80 301	76 331
21/3	General and administrative expenses	30/6/2025	30/6/2024
		EGP000	EGP000
	Salaries & wages	121 709	121 529
	Materials and supplies	4 744	1 309
	Service supplies	155 746	161 781
	Depreciation	16 345	6 191
	Board of directors meeting attendance allowances	25	23
	Total	298 570	290 833
21/4	Provisions	30/6/2025	30/6/2024
		EGP000	EGP000
	Expected credit losses	8 753	44 575
	Total	8 753	44 575
21/5	Other expenses	30/6/2025	30/6/2024
		EGP000	EGP000
	Donations and assistance to third parties	5 676	902
	Solidarity contribution	19 630	17 317
	Total	25 306	18 219
21/6	Finance expenses	30/6/2025	30/6/2024
		EGP000	EGP000
	Finance expenses	204 157	107 648
	Total	204 157	107 648
21/7	Foreign exchange losses	30/6/2025	30/6/2024
		EGP000	EGP000
	Foreign exchange losses	-	21,603
	Total	-	21 603

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

25- The company’s compliance status :

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

25-1 Corporate income tax

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

A-Payroll tax

Commitment status:

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

Inspection status:

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

B- Corporate income tax

Commitment status:

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

Inspection status :

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

C-Withholding tax- debit account

Commitment status :

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

Inspection status :

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

Fourth: Withholding tax-credit account

Commitment status :

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

Inspection status :

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

Stamp tax

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

Commitment status :

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

Inspection status :

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

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

25-3 Value added tax:

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

Commitment status :

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

Inspection status :

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

Real estate tax :

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

Commitment status:

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

Inspection status:

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

26-Quality certificates

- The company is keen to follow up and apply the latest systems in the transition to a clean and safe environment and to achieve the highest levels of safety and security. The company has obtained the following certificates:
- ISO (9001: 2015).
- Occupational Safety and Health Certificate (45001: 2018).

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

- Environmental Protection Certificate (14001: 2015).
- Energy Systems Management Certificate (50001: 2018)
- All of the company's products are certified for Food Approval Certificate.
- Non-Organoleptic Compound certificate.
- International accreditation certificate for laboratories certificate (17025: 2017).
- The company obtained a letter of compliance with ISO 26000 system in the field of social responsibility.

27 Environmental and Social responsibility

27-1Corporate environmental responsibility

- The company has maintained the slogan of a clean and safe environment since its inception by continuously controlling environmental manifestations in order to preserve natural resources and prevent or reduce environmental risks by working in line with the following laws, legislation and instructions:
- Egyptian Environmental Law No. 4 of 1994 and Environmental Law No. 9 of 2009.
- Industrial Exchange Law No. 48 of 1982.
- Minister of Petroleum Decision No. 673 of 1999 regarding the list of hazardous substances and waste within the petroleum sector.
- The company's occupational safety, health and environmental protection management system.
- Obtaining the environmental approval from the Environmental Affairs Agency for the Environmental Impact Assessment Study of Type (B) for the project of establish a sewage treatment plant in the company's administrative buildings.
- Maintaining the cleanliness of the environment, air measurement, and the safe disposal of hazardous and solid waste in the company by regularly delivering it to the hazardous waste landfill in Alexandria while improving the performance of the units, which reduced the quantities of waste generated, as well as the commitment to contracting with specialized companies to transport hazardous waste to the landfill.

-

27-2Social and sustainable responsibility

- The company has adopted a clear policy towards commitment to social responsibility, taking into account the rules adopted by the United Nations (SDGS) in the field of sustainable development, where ten goals have been achieved out of the seventeen goals targeted by the system.
- The company believes in its social role in developing the surrounding environment and the importance of the humanitarian role, contributing since its establishment to develop the surrounding environment and near villages in many areas, including:

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

- Donating and making a permanent contribution in the field of health and medical treatment and purchasing medical devices and all medical supplies for public hospitals to help them confront the new Corona virus.
- Donate and contribute permanently to charitable civil society organizations in the region and the villages surrounding the company and provide their needs to raise the level of the region's infrastructure.
- Donate and contribute to universities, institutes and government schools surrounding the company to provide their needs to support the educational process.
- The company, within its framework of its expansions and its continuous interest in the surrounding community environment, holds community consultation sessions for the people of the region and popular and executive movements to participate and reach the best ways and what benefits the development and service of the region within the framework of implementing the expansions. the company carries out its role within the limits decided by the company's general assembly.
- To confirm Sidpec's commitment to comply with Egypt's 2030 Strategy for sustainable development, the annual sustainability report was published during 2022, which included the company's various activities carried out in support of and in compliance with the ten principles of the United Nations Global Compact, as well as the seventeen goals of sustainable development.
- **28-Subsequent events**
- The Ordinary General Assembly, held on 10/4/2025, in light of its approval of the company's financial statements for the fiscal year 2024, agreed to distribute cash shares with a coupon value of 1/share in two installments, the first installment being during the month of May 2025 and with a value of 0.5 per share, and the second installment being during the month of October 2024 and with a value of 0.5 pounds per share. The disbursement was made through Misr for Clearing.
- The decision of the Ordinary and Extraordinary General Assembly was issued in their sessions held on 10/4/2025 approving the increase of the company's issued capital from 1.81440 billion to 2.268000 billion by distributing 226800 million free shares with a nominal

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

- value of 2 pounds per share, at a rate of 1 share for every 4 shares and all required procedures are in progress .
- Most of the world, including Egypt, have been exposed since the first quarter of 2022 to a state of economic slowdown at the global and local levels as a result of the repercussions of global conflicts, especially the Russian-Ukrainian war and the delay in supply chains, which appeared to affect all activities differently in Egypt
 - As for the company, it has achieved a balance between following proactive measures to change its work cycle to meet operating and production requirements to maintain the continuity of the production process, so the company’s operational capabilities and the operational capabilities of individuals were not affected.
 - As for the size and nature of the potential financial impacts of these risks on the items of the financial statements and the company’s activities during future periods, the management does not believe that it is currently possible to determine a quantitative estimate of the potential impact at this stage and in light of the lack of determination of the duration and effects of global conflicts, as the size of the impact varies according to the expected extent and time period in which these events and their impact are expected to end.
 - The Board of Directors of the company approved during 2023 the fair value study report for the shares of both Sidpec and Ethidco, prepared by the independent financial advisor (Bakertelli Financial Consulting Company), for the purpose of Sidpec acquiring Ethidco shares using the share exchange mechanism. The Board also issued its initial approval for the exchange ratio and the proposal to increase the company’s issued and paid-up capital according to the following:
 - Increasing the company’s capital by a maximum of 876,905,118 shares and allocating those shares to the shareholders of Ethidco who responded to the exchange, without exercising the priority rights in the subscription for the old shareholders of Sidpec Company.
 - The Board of Directors approved the adoption of the disclosure form in accordance with Article No. 48 and authorized Mr. Engineer / Chairman of the Board of Directors and Managing Director to introduce any amendments that the General Authority for Financial Supervision deems appropriate to the disclosure form and to proceed with the procedures for calling an extraordinary general assembly to approve the increase in the company’s capital

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

Notes to the Financial Statements (Continued)

For the financial period ended June 30, 2025

Translation From Originally Issued in Arabic

- and amend Articles (6 and 7) and to authorize the Board of Directors to amend the company's articles of association in accordance with the shares subject to exchange.
- The company's board of directors agreed on 9/20/2023 to postpone the acquisition deal of SIDPEC of Ethydco until the completion of the procedures for studying one of the strategic investors to acquire a stake in the capital of Ethydco through the partial exit of some of the company's shareholders.
 - The company's board of directors approved on 10/29/2023 the draft shareholders' agreement for Ethydco Company, which will be signed with Alpha Oryx Limited, which acquired a 30% stake in Ethydco Company's shares after obtaining the necessary legal approvals, fulfilling the preconditions, and authorizing the Chairman of the Board of Directors and the Managing Director to sign it.
 - The Prime Ministerial Resolution No. 1711 of 2024 was issued amending some provisions of the Egyptian Accounting Standards, and the company has taken it into consideration, as the currency differences resulting from translating the remaining balance of the obligations with which the assets were financed were recognized within the cost of assets, and the differences in the valuation of assets and liabilities of a monetary nature in foreign currencies were recognized within the items of comprehensive income.
 - Prime Ministerial Resolution No. 3527 of 2024 was issued on 10/23/2024 amending some provisions of the Egyptian Accounting Standards by adding a new standard No. 51 "Financial Statements in Hyperinflationary Economies"
 - This standard requires adjusting financial statements prepared in the currency of a hyperinflationary economy with the aim of providing useful information about the financial position of the entity, its performance and changes in its financial position to a wide range of users to make economic decisions based on a fair presentation of the financial statements.
 - the decision shall be activated after a decision is issued by the Prime Minister or his delegate to determine the start and end date of the financial period or periods during which this standard must be applied when the currency of registration is the local currency, taking into account paragraphs (a), (b), and (c), which has not been issued to date