

السادة/ البورصة المصرية**١١ ش طلعت حرب - الإسكندرية**

تحية طيبة وبعد،،،

بالشارة إلى ارسالنا في ٢٠٢٥/٨/١٣ القوائم المالية المجمعة في ٢٠٢٥/٦/٣٠

نتشرف بأن نرفق لسيادتكم القوائم المالية والمجمعة في ٢٠٢٥/٦/٣٠ باللغة الإنجليزية .

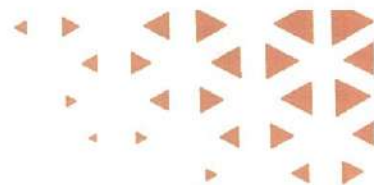
برجاء التكرم بالاستلام والتنبيه باتخاذ اللازم

وتفضلوا بقبول فائق الاحترام،،،

رئيس القطاع المالي

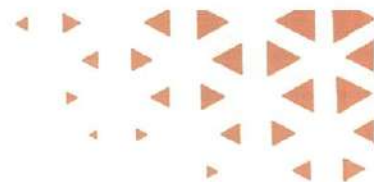
(محاسب / أيمن أحمد فايد)





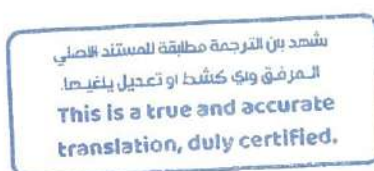
**Kafr El Zayat Pesticides and Chemicals "K.Z" Egyptian Joint
"Egyptian Joint Stock Company"
Periodic Consolidated Financial Statements
for Financial Period ending on 30 June 2025
Limited inspection report thereon**

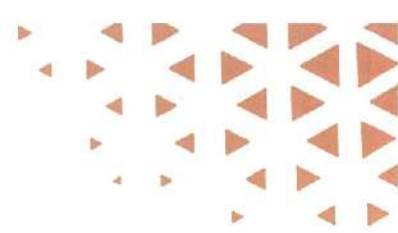




Kafr El Zayat Pesticides and Chemicals “K.Z” Egyptian Joint Stock Company
Periodic consolidated Financial Statement for Financial period ending on 30 June 2025

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Limited Auditing Report for the Periodic Consolidated Financial Statements

To Messrs/Board of Directors of Kafr El Zayat Pesticides and Chemicals “K.Z”
(Egyptian Joint Stock Company)

Introduction:

We have performed a limited review of the accompanying consolidated statement of financial position of **Kafr El Zayat Pesticides and Chemicals Company “K.Z” (an Egyptian joint stock company)** as of June 30, 2025, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated periodic financial statements in accordance with Egyptian Accounting Standards. Our responsibility is limited to expressing a conclusion on these consolidated periodic financial statements based on our limited review.

Scope of Review

In our limited review, conducted in accordance with the Egyptian Standard on Review Engagements (ESRE) No. (2410) “Review of Periodic Financial Statements Performed by the Independent Auditor of the Entity”, the limited review of the Periodic consolidated financial statements primarily consists of making inquiries, mainly of persons responsible for financial and accounting matters, applying analytical procedures, and performing other limited review procedures. A limited review is substantially narrower in scope than an audit conducted in accordance with the Egyptian Auditing Standards. Accordingly, we cannot obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion on these consolidated financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying periodic financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2025, and its consolidated financial performance and consolidated cash flows for the six-month period then ended, in accordance with Egyptian Accounting Standards.

Cairo on: 12 August 2025

Auditors' report

Hassan Basyouni Al Basha

Auditors Register at Financial Regulatory Authority No. 98
BT Mohamed Hilal and Waheed Abdel Ghafar
Chartered accountants and Consultants

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Kafr El Zayat Pesticides and Chemicals Co. ("K.Z")
Egyptian Joint Stock Company
Consolidated Statement of Financial Position as at 30 June 2025
(All amounts are in Egyptian Pounds)

	Note No	June 2025 30	December 31 2024
Assets			
Non-Current Assets			
Fixed Assets	(8)	310 914 141	302 267 629
Projects Under Construction	(9)	24 204 223	24 683 141
Financial Investments at Fair Value Through Other Comprehensive Income (FVOCI)	(11)	303 806	303 806
Total Non-Current Assets		335 422 170	327 254 576
Total Equity			
Inventory	(13)	1 710 026 942	1 595 764 887
Accounts Receivable and Notes Receivable	(14)	548 983 622	544 983 648
Debtors and Other Receivables	(15)	249 988 241	203 382 058
Due from Related Parties	(1-23)	459 888	353 742
Cash on Hand and at Banks	(16)	122 564 110	154 892 283
Total Current Assets		2 632 022 803	2 499 376 618
Total Equity		2 967 444 973	2 826 631 194
Equity			
Issued and Paid-Up Capital	(2-22)	240 089 400	180 067 050
Reserves	(3-22)	126 429 693	102 174 991
Foreign Currency Translation Differences		70 956 139	75 343 530
Retained Earnings		200 026 126	148 874 220
Net Profit for the Period / Year		152 143 269	262 995 822
Total Equity Attributable to Parent Company		789 644 627	769 455 613
Non-Controlling Interests (NCI)	(4-22)	9 249 702	7 462 529
Total Equity		798 894 329	776 918 142
Non-Current Liabilities			
Deferred Revenues	(18)	10 320	10 320
Deferred Tax Liabilities	(3-12)	5 592 928	5 392 928
Total Non-Current Liabilities		5 603 248	5 403 248
Current Liabilities			
Bank Overdrafts	(17)	1 458 189 080	1 410 076 741
Claims Provisions	(21)	170 728 654	114 388 767
Suppliers & Notes Payable	(19)	299 040 988	256 578 052
Creditors & Other Payables	(20)	56 469 503	122 944 941
Dividend Payables		116 964 747	5 855 074
Amounts Due to Related Parties	(1-23)	31 811 204	60 354 959
Current Income Tax Liabilities	(2-12)	29 743 220	74 111 270
Total Current Liabilities		2 162 947 396	2 044 309 804
Total Liabilities		2 168 550 644	2 049 713 052
Total Equity and Liabilities		2 967 444 973	2 826 631 194

The accompanying notes from (1) to (29) form an integral part of these condensed consolidated interim financial statements and should be read in conjunction therewith.

Limited Review Report: Attached.

Chief Financial Officer

Ayman Ahmed Fayed – Accountant



Vice Chairman & Managing Director

Eng. Essam Elbeer Eldabaa

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	Note No	For the Six Months Ended		For the Three Months Ended	
Operating Revenues	(4)	1 907 664 168	1 515 626 535	757 754 244	724 454 790
Cost of Operations	(5)	(1 344 145 980)	(1 041 186 350)	(487 309 868)	(476 127 890)
Gross Profit		563 518 188	474 440 185	270 444 376	248 326 900
Other Operating Revenues		7 709 853	1 997 936	6 809 799	93 668
Selling and Distribution Expenses	(6)	(65 793 273)	(50 328 191)	(33 135 207)	(16 194 616)
General and Administrative Expenses	(7)	(39 780 053)	(29 140 646)	(21 224 481)	(14 699 718)
Provision for Claims	(21)	(56 487 918)	--	(56 487 918)	--
Reversal of Expected Credit Losses	(10)	1 514 750	--	1 514 750	--
Gains on Sale of Fixed Assets		27 347	--	27 347	--
Salaries and Attendance Allowances of Board Members		(3 176 064)	(2 902 180)	(1 717 053)	(924 732)
Operating Profit		407 532 830	394 067 104	166 231 613	216 601 502
Finance Income		644 663	924 027	253 162	(10 792 642)
Finance Expenses		(223 132 497)	(108 102 010)	(114 573 846)	(69 775 790)
Net Finance Expenses		(222 487 834)	(107 177 983)	(114 320 684)	(80 568 432)
Net Profit for the Period Before Taxes		185 044 996	286 889 121	51 910 929	136 033 070
Income Tax Expense	(1-12)	(29 943 220)	(55 780 308)	(9 589 880)	(33 708 062)
Net Profit for the Period		155 101 776	231 108 813	42 321 049	102 325 008
:And is allocated as follows					
Shareholders of the Parent Company		152 143 269	229 180 952	40 521 676	101 156 605
Non-Controlling Interest Holders		2 958 507	1 927 861	1 799 373	1 069 403
		155 101 776	231 108 813	42 321 049	102 226 008
Basic Earnings per Share (EGP/Share)	(25)	0.63	0.95	0.17	0.42

The accompanying notes from Note (1) to Note (29) are an integral part of these consolidated financial statements and should be read in conjunction with them.

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(Egyptian Joint Stock Company)

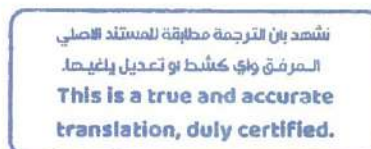
Consolidated Statement of Comprehensive Income for the Financial Period Ended June 30, 2025

(All amounts are expressed in Egyptian Pounds)

	For the Six-Month Period Ended		For the Three-Month Period Ended	
	30 June 2025	30 June 2024	30 June	30 June 2024
Net Profit for the Period	155 101 776	231 108 813	42 321 049	102 226 008
Comprehensive Income Items				
Foreign Currency Translation Differences	(4 387 391)	20 967 872	(5 770 023)	25 830
Other Comprehensive Income – Total for the	<u>150 714 385</u>	<u>252 076 685</u>	<u>36 551 026</u>	<u>102 251 838</u>
It is distributed as follows: -				
Owners of the Parent	147 755 878	250 148 824	34 751 653	101 182 435
Non-Controlling Interests	2 958 507	1 927 861	1 799 373	1 069 403
	<u>150 714 385</u>	<u>252 076 685</u>	<u>36 551 026</u>	<u>102 251 838</u>

The accompanying notes from Note (1) to Note (29) form an integral part of these consolidated financial statements and should be read in conjunction therewith.

ORIGINAL 23 AUG 2025



Consolidated Statement of Changes in Equity for the Financial Period Ended June 30, 2025

(All amounts are expressed in Egyptian Pounds)

	Issued and Paid-up Capital	Reserves	Foreign Currency Translation Differences	Retained earnings	Net Profit for the Period	Net Equity Attributable to Owners of the	Non-Controlling Interests	Total Equity
Balance as at 1 January 2024	180 067 050	84 371 936	45 596 781	106 304 530	189 816 156	606 156 453	6 256 668	612 413 121
Comprehensive Income Items								
Consolidated Net Profit for the Financial Period Ended June 30, 2024	--	--	--	--	229 180 952	229 180 952	1 927 861	231 108 813
Other Comprehensive Income Items	--	--	20 967 872	--	--	20 967 872	--	20 967 872
Total Comprehensive Income	--	--	20 967 872	--	229 180 952	250 148 824	1 927 861	252 076 685
Transactions with the Company's Shareholders								
Transferred to Retained Earnings	--	--	--	172 013 101	(172 013 101)	--	--	--
Dividends Distributed for the Year 2023	--	--	--	(126 748 811)	--	(126 748 811)	(1 472 622)	(128 221 433)
Transferred to Reserves	--	17 803 055	--	--	(17 803 055)	--	--	--
Adjustments to Retained Earnings	--	--	--	(737 100)	--	(737 100)	(18 900)	(756 000)
Total Transactions with Shareholders	--	17 803 055	--	44 527 190	(189 816 156)	(127 485 911)	(1 491 522)	(128 977 433)
Balance as at 30 June 2024	180 067 050	102 174 991	66 564 653	150 831 720	229 180 952	728 819 366	6 693 007	735 512 373
Balance as at 1 January 2025	180 067 050	102 174 991	75 343 530	148 874 220	262 995 822	769 455 613	7 462 529	776 918 142
Comprehensive Income Items								
Consolidated Net Profit for the Financial Period Ended June 30, 2025	--	--	--	--	152 143 269	152 143 269	2 958 507	155 101 776
Other Comprehensive Income Items	--	--	(4 387 391)	--	--	(4 387 391)	--	(4 387 391)
Total Comprehensive Income	--	--	(4 387 391)	--	152 143 269	147 755 878	2 958 507	150 714 385
Transactions with the Company's Shareholders								
Capital Increase	60 022 350	--	--	--	--	60 022 350	--	60 022 350
Transferred to Retained Earnings	--	--	--	238 741 120	(238 741 120)	--	--	--
Dividends Distributed for the Year 2024	--	--	--	(187 589 214)	--	(187 589 214)	(1 171 334)	(188 760 548)

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60 022 350	24 254 702	---	---	(24 254 702)	---	---
240 089 400	126 429 693	70 956 139	200 026 126	152 143 269	(127 566 864)	(1 171 334)
					789 644 027	9 249 702
						798 894 329

The accompanying notes from Note (1) to Note (29) form an integral part of these interim consolidated financial statements and should be read in conjunction therewith.

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Kafr El-Zayat Pesticides and Chemicals Co 'K.Z'
(Egyptian Joint Stock Company)

Consolidated Statement of Cash Flows for the Financial Period Ended June 30, 2025

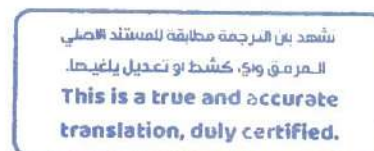
(All amounts are expressed in Egyptian Pounds)

	Note No	For the financial period ended 30 June 2025	30 June 2024
Cash flows from operating activities			
Net Profit for the Period Before Tax and Non-Controlling Interests		185 044 996	286 889 121
Adjustments to reconcile profit to net cash from operating activities			
Depreciation of fixed assets	(8)	10 210 825	7 499 444
Amortization of government grant	(18)	(36 720)	(18 360)
Interest Expense		223 132 497	108 102 010
Gains on Disposal of Fixed Assets		(27 347)	--
Provisions for Claims	(20)	56 487 918	--
Reversal of Expected Credit Losses	(10)	(1 514 750)	--
Interest income		(644 663)	(924 027)
		472 652 756	401 548 188
Changes in:			
Inventory		(114 262 055)	(184 254 346)
Trade Receivables, Other Receivables, and Amounts Due from Related Parties		(50 712 303)	(386 625 766)
Trade Payables, Other Payables, and Amounts Due to Related Parties		(52 556 257)	(121 989 433)
Interest Paid		(223 132 497)	(108 102 010)
Dividends Paid to Employees and Board of Directors		(23 264 000)	(11 750 094)
Net cash generated from / (used in) operating activities		8 725 644	(411 173 461)
Income tax paid	(2-12)	(74 111 270)	(73 601 525)
Net Cash Flows Used in Operating Activities		(65 385 626)	(484 774 986)
Cash Flows from Investing Activities			
Payments for purchase of fixed assets and projects under construction		(16 984 778)	(35 360 882)
Proceeds from Sale of Fixed Assets		37 145	--
Interest Income Received		644 663	924 027
Net cash used in investing activities		(16 302 970)	(34 436 855)
Cash Flows from Financing Activities			
Proceeds from Issuance of Share Capital		60 022 350	--
Payments of Long-Term Loans		--	(375 060)
Payments to Non-Controlling Interests		(1 171 334)	(1 491 522)
Dividends paid to shareholders		(53 215 541)	(112 319 019)
Net Cash Flows from (Used in) Financing Activities		5 635 475	(114 185 601)
Cash and cash equivalents at beginning of the period		(76 053 121)	(633 397 442)
Cash and cash equivalents at beginning of the period		(1 255 157 232)	(315 319 671)
Foreign Currency Translation Differences		(4 387 391)	20 967 872
Cash and Cash Equivalents at the End of the Period	(1-16)	(1 335 597 744)	(927 749 241)

Non-cash transactions excluded from the cash flow statement include:

An amount of EGP 27,226 was excluded from the expected credit losses related to bank cash accounts

The accompanying notes from Note (1) to Note (29) form an integral part of these consolidated financial statements and should be read in conjunction therewith.



8. Fixed asset

Statement	Land	Buildings	Machinery & Equipment	Furniture	Vehicles & Transport	Tools & Instruments	Total
Cost as at 2024/1/1	78 507 053	88 085 137	131 835 914	13 645 771	25 596 107	6 994 661	344 664 643
Additions during the year	--	29 710 544	35 394 584	2 155 792	10 799 477	836 656	78 897 053
Exclusions during the year	--	--	(37 808)	(202 606)	(930)	(78 454)	(319 798)
Translation differences	37 128	13 817 104	19 280 881	568 732	1 325 958	42 192	35 071 995
Cost as of 31 December 2024	78 544 181	131 612 785	186 473 571	16 167 689	37 720 612	7 795 055	458 313 893
Additions during the period	--	3 594 657	13 308 224	792 406	2 000 000	202 995	19 898 282
Disposals during the period	--	--	--	--	--	(16 800)	(16 800)
Translation differences	(2 327)	(866 168)	(1 243 515)	(37 021)	(116 691)	(2 645)	(2 268 367)
Cost as of 2025/6/30	78 541 854	134 341 274	198 538 280	16 923 074	39 603 921	7 978 605	475 927 008
Accumulated depreciation as of 1 January 2024	--	12 601 275	81 020 326	8 258 529	14 834 752	2 997 582	119 712 464
Depreciation for the year	--	3 595 041	7 932 498	2 367 103	3 284 033	542 179	17 720 854
Accumulated Depreciation of Disposals	--	--	(37 808)	(1 430)	(202 606)	(930)	(242 774)
Translation differences	--	2 142 663	15 441 427	99 691	1 137 116	34 823	18 855 720
Accumulated depreciation as of 31 December 2024	--	18 338 979	104 356 443	10 723 893	19 053 295	3 573 654	156 046 264
Period Depreciation	--	2 195 510	4 861 325	743 384	2 133 699	276 907	10 210 825
Accumulated Depreciation of Disposals	--	--	--	--	--	(7 200)	(7 200)
Translation differences	--	(157 739)	(985 948)	(28 096)	(63 195)	(2 044)	(1 237 022)

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Accumulated depreciation as of 2025/6/30

Net Book Value as at 30 June 2025

Net Book Value as at 31 December 2024

--	20 376 750	108 231 820	11 439 181	21 123 799	3 841 317	165 012 867
78 541 854	113 964 524	90 306 460	5 483 893	18 480 122	4 137 288	310 914 141
78 544 181	113 273 806	82 117 128	5 443 796	18 667 317	4 221 401	302 267 629

Depreciation of fixed assets charged to the income statement for the year, distributed as follows:

For the financial period ended		
30 June 2025	30 June 2024	
8 434 127	6 092 609	Industrial Depreciation – Note (5)
148 221	208 149	Selling and Distribution Depreciation – Note (6)
1 628 477	1 198 686	General and administrative depreciation – Note (7)
10 210 825	7 499 444	Total

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شركة كفر الزيات للمبيدات والكيماويات "K.Z"

شركة مساهمة مصرية

قائمة الدخل الشامل المجمعة عن الفترة المالية المنتهية في 30 يونيو 2025

(جميع المبالغ بالجنيه المصري)

عن الثلاثة أشهر المنتهية في		عن الستة أشهر المنتهية في		
30 يونيو 2024	30 يونيو 2025	30 يونيو 2024	30 يونيو 2025	
102 226 008	42 321 049	231 108 813	155 101 776	صافي أرباح الفترة
				بنود الدخل الشامل
25 830	(5 770 023)	20 967 872	(4 387 391)	فروق ترجمة القوائم المالية بالعملات الأجنبية
102 251 838	36 551 026	252 076 685	150 714 385	إجمالي الدخل الشامل الأخر عن الفترة
				ويتم توزيعه كما يلي:-
101 182 435	34 751 653	250 148 824	147 755 878	مساهمي الشركة الأم
1 069 403	1 799 373	1 927 861	2 958 507	أصحاب الحقوق غير المسيطرة
102 251 838	36 551 026	252 076 685	150 714 385	

الإيضاحات المرفقة من إيضاح رقم (1) الي إيضاح رقم (29) تعتبر متممة لهذه القوائم المالية المجمعة وتقرأ معها.



صافي حقوق الملكية	الحقوق غير المسيطرة	صافي حقوق مساهمي الشركة الأم	صافي أرباح الفترة	أرباح مرحلة	فروق ترجمة القوائم المالية بالاصول الأجنبية	إحتياطيات	رأس المال المصدر والبطوع
612 413 121	6 256 668	606 156 453	189 816 156	106 304 530	45 596 781	84 371 936	180 067 050
231 108 813	1 927 861	229 180 952	229 180 952	--	--	--	--
20 967 872	--	20 967 872	--	--	20 967 872	--	--
252 076 685	1 927 861	250 148 824	229 180 952	--	20 967 872	--	--
--	--	--	(172 013 101)	172 013 101	--	--	--
(128 221 433)	(1 472 622)	(126 748 811)	--	(126 748 811)	--	--	--
--	--	--	(17 803 055)	--	--	17 803 055	--
(756 000)	(18 900)	(737 100)	--	(737 100)	--	--	--
(128 977 433)	(1 491 522)	(127 485 911)	(189 816 156)	44 527 190	--	17 803 055	--
735 512 373	6 693 007	728 819 366	229 180 952	150 831 720	66 564 653	102 174 991	180 067 050
776 918 142	7 462 529	769 455 613	262 995 822	148 874 220	75 343 530	102 174 991	180 067 050
155 101 776	2 548 507	152 143 269	152 143 269	--	--	--	--
(4 387 391)	--	(4 387 391)	--	--	(4 387 391)	--	--
150 714 385	2 958 507	147 755 878	152 143 269	--	(4 387 391)	--	--
60 022 350	--	60 022 350	--	--	--	--	60 022 350
--	--	--	(238 741 120)	238 741 120	--	--	--
(188 760 548)	(1 171 334)	(187 589 214)	--	(187 589 214)	--	--	--
--	--	--	(24 254 702)	--	--	24 254 702	--
(128 738 198)	(1 171 334)	(127 566 864)	(262 995 822)	51 151 906	--	24 254 702	60 022 350
798 894 329	9 249 702	789 644 627	152 143 269	200 026 126	70 956 139	126 429 693	240 089 400

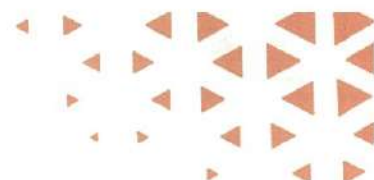
الإيصالات المرفقة مع إيجاز رقم (1) هي إيجاز رقم (29) تعبر شمسية لهذه القوائم المالية لفترة المجمعة وتقرأ معها.

عن الفترة المالية المنتهية في	إيضاح	
30 يونيو 2024	رقم	30 يونيو 2025
التدفقات النقدية من الأنشطة التشغيلية		
286 889 121		185 044 996
صافي أرباح الفترة قبل الضرائب والحقوق غير المسيطرة		
7 499 444	(8)	10 210 825
(18 360)	(18)	(36 720)
108 102 010		223 132 497
--		(27 347)
--	(20)	56 487 918
--	(10)	(1 514 750)
(924 027)		(644 663)
401 548 188		472 652 756
التغير في :-		
مخزون		
(184 254 346)		(114 262 055)
(386 625 766)		(50 712 303)
(121 989 433)		(52 556 257)
(108 102 010)		(223 132 497)
(11 750 094)		(23 264 000)
(411 173 461)		8 725 644
(73 601 525)	(2-12)	(74 111 270)
(484 774 986)		(65 385 626)
التدفقات النقدية الناتجة من (المستخدمة في) أنشطة التشغيل		
ضريبة الدخل المسددة		
صافي التدفقات النقدية المستخدمة في أنشطة التشغيل		
التدفقات النقدية من أنشطة الاستثمار		
(35 360 882)		(16 984 778)
--		37 145
924 027		644 663
(34 436 855)		(16 302 970)
التدفقات النقدية من الأنشطة التمويلية		
المحصل من زيادة رأس المال المصدر		
(375 060)	--	--
(1 491 522)		(1 171 334)
(112 319 019)		(53 215 541)
(114 185 601)		5 635 475
(633 397 442)		(76 053 121)
(315 319 671)		(1 255 157 232)
20 967 872		(4 387 391)
(927 749 241)	(1-16)	(1 335 597 744)

لأغراض إعداد التدفقات النقدية تم إستبعاد المعاملات غير النقدية على النحو التالي :

مبلغ 27 226 جنيه مصري تم استبعادهم من الخسائر الائتمانية المتوقعة المتعلقة بحسابات النقدية لدي البنوك

الإيضاحات المرفقة من إيضاح رقم (1) الي إيضاح رقم (29) تعتبر متممة لهذه القوائم المالية المجمعة وتقرأ معها.



Kafr El Zayat Pesticides and Chemicals "K.Z" Egyptian Joint Stock Company
Periodic consolidated Financial Statement for Financial period ending on 30 June 2025
(All amounts are in EGP, unless otherwise is stated)

1- A Brief on the Group

1-1 Parent Company

Kafr El Zayat Pesticides and Chemicals "K.Z" Egyptian Joint Stock Company is established and operates in Arab Republic of Egypt in accordance with Law No. 526 of 1955, the company is still subject to the consequent regulating Law for the sector, until it becomes subsidiary to the Holding Company for Chemical Industries, in accordance with the Business Law No. 203 of 1991. In light the government program to expand the properties base, the company offered the company's share for sale through the general subscription, thus the company was subject to the provisions of Law No. 159 of 1981 as of November 1996.

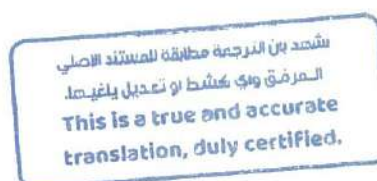
- The company's purpose is to produce, manufacture, compose pesticides, chemicals, fertilizers, and agricultural nutrients, as well as all agricultural and health-related supplies, and to trade in them. In addition, the company engages in disinfection, fumigation, and pest control activities.

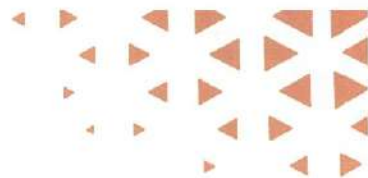
The company's purpose was amended to include the trade of all types of pesticides, chemicals, fertilizers, and agricultural nutrients, as well as import, export, commercial agency, general supplies, marketing, and distribution. This amendment was made by a resolution of the Extraordinary General Assembly on 25 October 2003, and was registered in the commercial registry on 7 December 2003.

- The company and its affiliates (hereinafter referred to as "Group")

Company's branch in Nobariya

- A branch is established in Nobariya in the plot No. 57 and 58, the First Industrial Area in Nobariya on 8 February 2007. Tax exemption was granted to the company's branch in Nobariya, in accordance with the provisions of Article No. 24 of Law No. 59 of 1979, for ten years as of 1 January 2006, Provided that the first period is from 23 October 2005 to 31 December 2005. The actual operation in the branch starts on 1 September 2007, the plot of land No. 56 was added to Nubariya Branch, and it was recorded in the commercial register on 29/2/2012.
- The financial year of the company commences on 1 January and ends on 31st of December of each year.
- Term of the company is fifty years starting from the date of registering thereof in the commercial register.
- The company's head office is in Kafr Al Zayat, Gharbiya.
- Deputy Chairman and managing director is Eng. Essam Al Beir Al Dhabe'



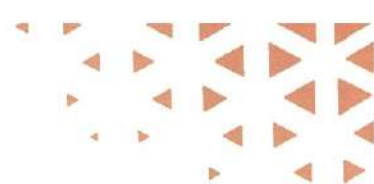


1-2 Consolidated Financial Statements is approved to be issued by the board of directors on 12 August 2025.

Invested Companies

Company name	State of Incorporation	Shareholding Percentage In equities
Kafr El Zayat Pesticides and Chemicals Company (Private Free Zone)	Egypt	100 %
A branch for Kafr El Zayat Pesticides and Chemicals(K.Z)		
ORGANIC BIO TECHNOLOGY COMPANY	Egypt	75 %
Kemi for Imports and Exports	Egypt	97.5 %
Egyptos Multitrade Distribution Company"Affiliate Company"	Egypt	99,725 %





Kafr El Zayat Pesticides and Chemicals Company (Private Free Zone)

A branch for Kafr El Zayat Pesticides and Chemicals(K.Z)

The parent company established Kafr El Zayat International for Pesticides and Chemicals as a branch in a private free zone by virtue of the decision of the Chairman of the General Authority for Investment Decision No. 208, dated 5 February 1997. This was in accordance with the provisions of Law No. 230 of 1989, as amended by Law No. 8 of 1997, as a wholly owned project of the company. The project commenced on 21 September 1997, for purposes of the General Authority for Investment, the project was deemed as independent activity which has its own financial Statements. The invested capital for establishing this project has been recorded as investments at the value of the capital allocated to the project.

The project's financial results are recognized in the year in which they are realized and are included in the income statement.

As of the date of preparing the financial statements, the company prepares consolidated financial statements that include all projects it has invested in, in addition to its contributions to other companies, in accordance with the adopted accounting policies. The results of these projects are recorded within the company's current account, impacting the income statement.

Purpose of the Company

Produce, manufacture, compose, and package pesticides, chemicals, fertilizers, and operation for the account of others and for others for the main activity of the company

ORGANIC BIO TECHNOLOGY COMPANY "SUBSIDIARY"

- The parent company's Board of Directors, in its session No. (600) held on 28 February 2004, approved the establishment of Organic Biotechnology Company (ORGANIC) with a 75% capital contribution. The company was registered in the Commercial Register on 18 October 2004, under registration number 11969, and began production on 15 April 2006.
- ORGANIC BIO TECHNOLOGY COMPANY "Joint Stock Company" in accordance with Law No. 159 of 1981 and its executive regulation. Kafr El Zayat for Pesticides and Chemicals KZ contributes by 75% of company's capital, which is domiciled in Kilo 79, Alexandria Cairo Desert Road, New Nubariya.
- The last quarter of Organic's issued capital, amounting to 2.5 million EGP, was called up based on the Board of Directors' meeting minutes dated 14 July 2010. This capital increase was recorded in the Commercial Register on 26 September 2010, making the company's paid-up capital 100% of its issued capital.
- The company started production in 15 April 2006.

Purpose of the Company

- The company's purpose is the production, manufacturing, packaging, and trading of all biological and biochemical products, pesticides, chemicals, fertilizers, agricultural nutrients, plastic products, and feed components. It also includes financial leasing, import and export, commercial agency representation, general supplies, marketing and distribution, as well as participation in the establishment, implementation, and management of industrial projects and facilities related to the aforementioned products



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info@elingua.co

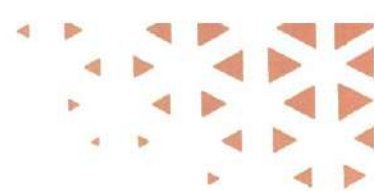
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Our Service Certified Translation – Conference Services – Financial Translation – Content Creation

شهادة بأن الترجمة مطابقة للمستند الأصلي
المرفق ولاي كسب أو تعديل يلغىها.
This is a true and accurate
translation, duly certified.





- On 8 October 2007, the Company's Extraordinary General Assembly approved the amendment of Article (3) of the Articles of Association regarding the company's purpose. The amended purpose became the production, manufacturing, wrapping, packaging, and trading of biological, biochemical, natural, chemical products, plastic products, financial leasing, import and export, commercial agency representation, general supplies, marketing and distribution, as well as participation in the establishment, implementation, and management of industrial projects and facilities related to the aforementioned products.

Kemi for Imports and Exports "Affiliate"

The parent company has participated in establishing a commercial company (Limited Liability Company, with 90 % of its Capital with Organic Biotechnology Company with contribution 10 % of its capital to maximize the objectives of both companies, under the approval of the general assembly dated 16/4/2011. The company commenced its business on 17/3/2013.

Egyptos Multitrade Distribution Company "Affiliate"

The Company's board of directors agreed in the meeting No. 853, which was held on 10 November 2021 to establish Egyptos Multitrade Distribution Company, with issued and paid capital amounting 5 million EGP. The purpose of this company is to handle marketing, sales, and collection for the customers of Kafr El Zayat for Pesticides and Chemicals, while also taking over all outstanding debts for collection starting from 1 December 2021, except for distribution agents, the shareholding Percentage of Kafr El Zayat for Pesticides and chemicals is 98%, and it was recorded in the commercial register on 20 December 2021.

Purpose of the Company

- The company's purpose is the trading and distribution of all types of seeds, fertilizers, biopesticides, agricultural supplies, and agricultural machinery, as well as providing disinfection and sterilization services.

2- Basis of Preparing Consolidated Financial Statements

2-1 Compliance with Accounting Standards and Laws

The Consolidated Financial Statements was prepared in accordance with Egyptian Accounting Standards, in light of relevant laws and regulations

2-2 Measurement Basis

Consolidated Financial Statements were prepared according to historic basis, except as follows:

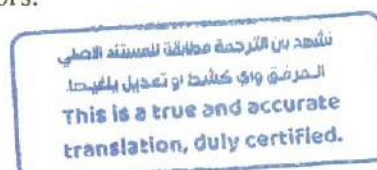
- Financial Assets and Liabilities which are recorded in fair value through profits and losses.
- Investment in securities for purpose of trading which are assessed in Fair Value.
- Investments available for sale, which have market value and assessed in their fair value.

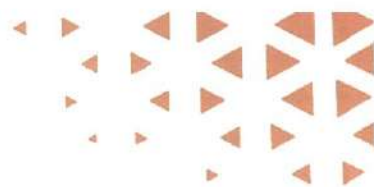
2-3 Transaction and presentation currency

Consolidated Financial Statements are presented in the Egyptian Pound, which represents the company's transaction currency.

2-4 C) Usage of estimates and assumptions

- The preparation of the consolidated financial statements in accordance with Egyptian Accounting Standards requires management to use personal judgment, estimates, and assumptions that affect the application of policies and the values presented for assets, liabilities, revenues, and expenses. These relevant estimates and assumptions are prepared according to the past experience and other various factors.
The actual results may vary from these estimates.





- These estimates and assumptions are based on past experience and various other factors.
- The estimates of accounts are recognised in the year in which the estimate is revised if the revision affects only that period, or in the year of the revision and future years if the revision affects both current and future years.

Hereunder the most significant items in which these estimates or personal judgments are used: -

- Deferred Tax.
- Due expenses
- Productive lives of the fixed assets
- Expected Credit Losses
- Provisions

2-5 Measurement of Fair Value

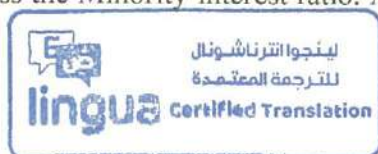
- The fair value of financial instruments is determined based on the market value of similar financial assets or liabilities as of the financial statement date, without deducting any estimated future selling costs. The fair value of financial instruments is determined based on the market value of similar financial assets or liabilities as of the financial statement date, without deducting any estimated future selling costs.
- In the absence of an active market for determining the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into account recent transaction prices and referencing the current fair value of other substantially similar instruments. Or using the discounted cash flow method or any other valuation method that yields reliable values.
- When the deducted cash flows method is used as a mean of assessment, the future cash flows shall be estimated based upon the best estimates of management. The deduction rate, which is used in light of the prevailing rate at market is determined on the date of the financial statements for similar financial instruments in terms of its nature and conditions

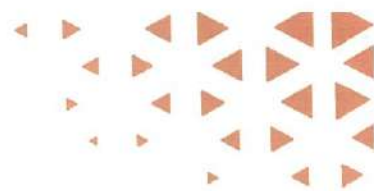
2-6 Principles of the Preparation of the Financial Statements

The Consolidated Financial Statements are represented in the financial statements of the holding company and the companies controlling the affiliate companies and special purpose entities.

Affiliate Companies

- The affiliate companies are companies controlled by the group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable, or conversion rights, are taken into account when assessing whether the Group has control over another company. Subsidiaries are fully consolidated from the date control is transferred to the Group, and deconsolidated from the date that control ceases.
- Accounting for collecting such works are applied in accordance with the Egyptian Accounting Standard No. 29, only, when the works are acquired. The acquisition method is used to account for business combinations when the Group acquires subsidiaries. The acquisition cost is measured as being the probable fair value of assets, liabilities, equities and liabilities on the date of acquisition. The value of probable assets and liabilities are determined by fair value regardless the Minority interest ratio. Any excess of the acquisition cost over the Group's share





of the fair value of net assets is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets, the difference shall be immediately recorded in the statement of the profits or losses.

The direct and indirect investments share in the affiliate company is 30 June 2025, which is collected in the consolidated Financial Statements as follows:

Company name	Shareholding Percentage	
	30 June 2025	31 December 2024
KAFR EL ZAYAT PESTICIDES AND CHEMICALS (Free Zone Branch)	100%	100%
ORGANIC BIO TECHNOLOGY COMPANY	75%	75%
Kemi for Imports and Exports	97.5%	97.5%
Egyptos Multitrade Distribution Company	100%	99.725%

3- Report of operational sector

The group has 2 operational sectors, representing sectors, the financial reports thereon shall be submitted to the top management. These reports present different products, which is separately managed as it require different technological and marketing strategies.

Hereunder a statement of the operations of each sector for which reports are issued:

Sectors Report

Operations

Agricultural
Others

Agricultural products
Service Products

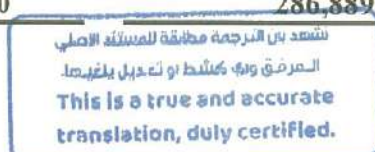
- Sectors are determined based upon the internally applicable method to present the financial reports to the top management
- A sector is a group of related assets and operations that exhibit risks and benefits distinct from those associated with other sectors or within a single economic environment characterized by specific risks and benefits, different from those linked to sectors operating in a different economic environment.

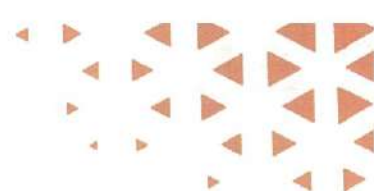
3-1 Revenues of Business

	for the six months ending on 30 June 2025	Percentage	for the six months ending on 30 June 2024	Percentage
	In Thousand EGP		In Thousand EGP	
Agricultural	1,015,196	53	830,866	55
Others	892,468	47	684,761	45
	1,907,664	100	1,515,627	100

3-2 Net Profits before Tax*

	for the six months ending on 30 June 2025	Percentage	for the six months ending on 30 June 2024	Percentage
	In Thousand EGP		In Thousand EGP	
Agricultural	130,594	71	147,229	51
Others	54,451	29	139,660	49
	185,045	100	286,889	100





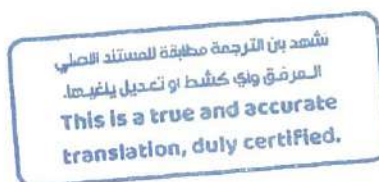
3-3 Assets*

	30 June 2025	Percentage	31 December 2024	Percentage
	In Thousand EGP	%	In Thousand EGP	%
Agricultural	2,348,473	79	2,206,763	78
Others	618,668	21	619,564	22
Uncharged investments	304	--	304	--
	2,967,445	100	2,826,631	100

3-4 Liabilities*

	30 June 2025	Percentage	31 December 2024	Percentage
	In Thousand EGP	%	In Thousand EGP	%
Agricultural	1,759,951	81	1,635,834	79
Others	408,600	19	413,879	21
	2,168,551	100	2,049,713	100

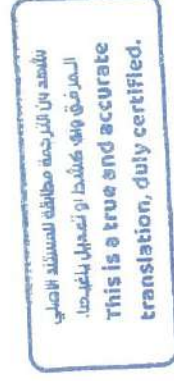
* As a percentage of total operating sectors



3-5 Income Statement at operating sectors level

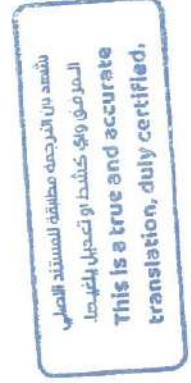
Amounts are provided in
Thousand EGP

	Agricultural sector		Others		Investment Revenues		Total	
	for the six months ending on		for the six months ending on		for the six months ending on		for the six months ending on	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Revenues	1,015,196	830,866	892,468	684,760	--	--	1,907,664	1,515,626
Business cost	(641,329)	(511,833)	(702,817)	(529,353)	--	--	(1,344,146)	(1,041,186)
Sector's total profits	<u>373,867</u>	<u>319,033</u>	<u>189,651</u>	<u>155,407</u>	<u>--</u>	<u>--</u>	<u>563,518</u>	<u>474,440</u>
Profits resulting from operation	323,551	237,015	83,982	157,052	--	--	407,533	394,067
Net Financing expenses/Revenues	(193,178)	(131,865)	(29,310)	24,687	--	--	(222,488)	(107,178)
Deferred income taxes	(19,410)	(36,280)	(10,533)	(19,500)	--	--	(29,943)	(55,780)
Non-controlling interest share	--	--	--	--	(2,959)	(1,928)	(2,959)	(1,928)
Net profits of the period	<u>110,963</u>	<u>68,870</u>	<u>44,139</u>	<u>162,239</u>	<u>(2,959)</u>	<u>(1,928)</u>	<u>152,143</u>	<u>229,181</u>



Operation Sectors at Assets and Liabilities Level

Amounts are provided in Thousand EGP	Agricultural Pesticides sector		Others		Investments		Total	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Sectors Assets	2,348,473	2,206,763	618,668	619,564	--	--	2,967,141	2,826,327
Investments in Governmental instruments	--	--	--	--	304	304	304	304
Total Assets	2,348,473	2,206,763	618,668	619,564	304	304	2,947,445	2,826,631
Sectors Liabilities	1,759,951	1,635,834	408,600	413,879	--	--	2,168,551	2,049,713
Total Liabilities	1,759,951	1,635,834	408,600	413,879	--	--	2,168,551	2,049,713
Fixed assets and under progress projects	290,430	284,053	209,701	198,943	--	--	500,131	482,996
Total Depreciation of fixed assets	88,160	83,953	76,853	72,093	--	--	165,013	156,046



شركة فكر الزيات للسبائك والكيماويات "K.Z"
 شركة مساهمة مصرية
 تابع الإفصاحات المتممة للقوائم المالية المجمعة عن الفترة المالية المنتهية في 30 يونيو 2025
 (جميع المبالغ بالجنيه المصري ما لم يذكر خلاف ذلك)

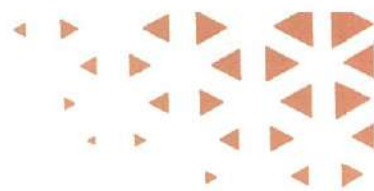
8. أصول ثابتة

البيان	أرضي	مباني	أثاث و معدات	اثاث	وسائل نقل و تنقل	عدد و اموات	الاجمالي
التكلفة في 2024/1/1	78 507 053	88 085 137	131 835 914	13 645 771	25 596 107	6 994 661	344 664 643
اضافات العام	--	29 710 544	35 394 584	2 155 792	10 799 477	836 656	78 897 053
استخدامات العام	--	--	(37 808)	(202 606)	(930)	(78 454)	(319 798)
فروق الترتيبة	37 128	13 817 104	19 280 881	568 732	1 325 958	42 192	35 071 995
التكلفة في 2024/12/31	78 544 181	131 612 785	186 473 571	16 167 689	37 720 612	7 795 055	458 313 893
اضافات الفترة	--	3 594 657	13 308 224	792 406	2 000 000	202 995	19 898 282
إستخدامات الفترة	--	--	--	--	--	(16 800)	(16 800)
فروق الترتيبة	(2 327)	(866 168)	(1 243 515)	(37 021)	(116 691)	(2 645)	(2 268 367)
التكلفة في 2025/6/30	78 541 854	134 341 274	198 538 280	16 923 074	39 603 921	7 978 605	475 927 008
مجموع الادلاك في 2024/1/1	--	12 601 275	81 020 326	8 258 529	14 834 752	2 997 582	119 712 464
اهلاك العام	--	3 595 041	7 932 498	2 367 103	3 284 033	542 179	17 720 854
مجموع اهلاك الاستيعادات	--	--	(37 808)	(1 430)	(202 606)	(930)	(242 774)
فروق الترتيبة	--	2 142 663	15 441 427	99 691	1 137 116	34 823	18 855 720
مجموع الادلاك في 2024/12/31	--	18 338 979	104 356 443	10 723 893	19 053 295	3 573 654	156 046 264
اهلاك الفترة	--	2 195 510	4 861 325	743 384	2 133 699	276 907	10 210 825
مجموع اهلاك الاستيعادات	--	--	--	--	--	(7 200)	(7 200)
فروق الترتيبة	--	(157 739)	(985 948)	(28 096)	(63 195)	(2 044)	(1 237 022)
مجموع الادلاك في 2025/6/30	--	20 376 750	108 231 820	11 439 181	21 123 799	3 841 317	165 012 867
صافى القيمة التقديرية في 30 يونيو 2025	78 541 854	113 964 524	90 306 460	5 483 893	18 480 122	4 137 288	310 914 141
صافى القيمة التقديرية في 31 ديسمبر 2024	78 544 181	113 273 806	82 117 128	5 443 796	18 667 317	4 221 401	302 267 629

(حاصلات الوصول الثابتة المحملة علي قائمة الدخل عن العام موزعة كما يلي :-

عن الفترة المالية المنتهية في	30 يونيو 2024	30 يونيو 2025
إهلاكات صناعية - إصاح رقم (5)	6 092 609	8 434 127
إهلاكات بيع وتوزيع - إصاح رقم (6)	208 149	148 221
إهلاكات عمومية وإدارية - إصاح رقم (7)	1 198 686	1 628 477
الإجمالي	7 499 444	10 210 825





7- Administrative and general expenses

	for the six months ending on		for the three months ending on	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Salaries and wages and its equivalent	12,983,618	9,190,061	6,623,397	4,681,135
Depreciation of Fixed Assets (Note No. 8)	1,628,477	1,198,686	901,884	611,240
Others expenditures	25,167,958	18,751,899	13,699,200	9,407,343
Total	39,780,053	29,140,646	21,224,481	14,699,718

9- Under progress projects

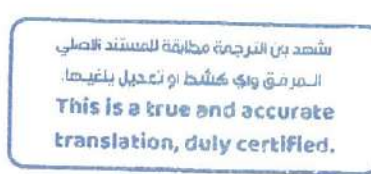
	30 June 2025	31 December 2024
Buildings	19,350,468	17,490,042
Furniture, transportation means, plants and equipment	715,876	2,838,486
Machines under installation	787,936	927,818
Advance payments for purchasing fixed assets	3,349,943	3,426,795
Balance	24,204,223	24,683,141

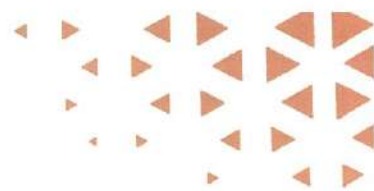
10- Expected Credit Losses

	Balance in 31 December 2024	Refund Within the period	Differences Translation	Balance in 30 June 2025
Trade notes and other receivables - Note No. 14	57,092,824	(1,514,750)	(1,096,434)	54,481,640
Trade and other receivables - Note No. 15	74,797,372	--	1,071,984	74,869,356
Cash at hand and in banks - Note No. 16	27,226	--	--	27,226
Balance	131,917,422	(1,514,750)	(24,450)	130,378,222

11- Financial investments measured at fair value through other comprehensive income.

	30 June 2025	31 December 2024
This item is represented in 5 % of the annual profits of the company until 1980, which is invested at National Investment Bank by interest rate of 3.5 %	303,806	303,806
Balance	303,806	303,806





12- Income Taxes

12-1 Income Tax Expenses

	for the six months ending on		for the three months ending on	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Income Taxes	29,743,220	55,657,444	9,987,158	29,357,344
Deferred Taxes	200,000	122,864	(397,278)	4,449,718
Total	29,943,220	55,780,308	9,589,880	33,807,062

12-2 Current Income Tax Liabilities

	30 June 2025	31 December 2024
The balance at the beginning of the period/ year	74,111,270	73,601,525
Income Taxes paid within the period/ year	(74,111,270)	(73,601,525)
Accumulated within the period/ year	29,743,220	74,111,270
The balance at the end of the period/ year	29,743,220	74,111,270

12-3. Deferred Tax liabilities

	30 June 2025	31 December 2024
Fixed assets	5,592,928	5,392,928

The deferred Taxes liabilities movement are represented in the following:

	30 June 2025	31 December 2024
The balance at the beginning of the period/ year	5,392,928	8,544,054
Expenditures (Revenues) within the period/ year	200,000	(3,151,126)
The balance at the end of the period/ year	5,592,928	5,392,928

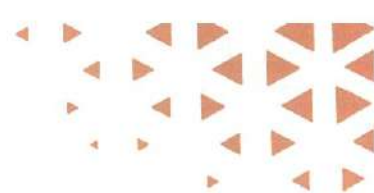
12-4 Unrecorded deferred Taxable assets

Some deferred tax assets have not been recognized due to the lack of reasonable certainty regarding their future tax recoverability.

	30 June 2025	31 December 2024
Expected Credit Losses in Trade receivables(14)	54,481,640	57,092,824
Expected Credit Losses in Trade and other Payables. (15)	74,869,356	74,797,372
Expected Credit Losses in Cash (16)	27,226	27,226
Claims provisions (21)	170,728,654	114,388,767
	301,106,876	246,306,189

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13- Inventory

	30 June 2025	31 December 2024
Materials and requirements	721,250,815	574,660,464
Fuel, oil, and spare parts	22,803,128	22,871,817
Under operation production	5,644,234	4,342,363
Complete production	215,694,669	218,664,227
Documentary Credits for purchasing materials	142,896,190	105,970,449
Purchased goods for sale	601,737,906	669,255,567
Balance	1,710,026,942	1,595,764,887

The inventory was presented after deducting the value of slow-moving and obsolete inventory in the amount of 193,006 Egyptian Pounds on June 30, 2025, and December 31, 2024.

14- Trade notes and other receivables

	30 June 2025	31 December 2024
Trade notes and other receivables	603,465,262	602,076,472
Less		
Expected Credit Losses*	(54,481,640)	(57,092,824)
Balance	548,983,622	544,983,648

The movement on the expected Credit Losses in Trade receivables and notes receivables

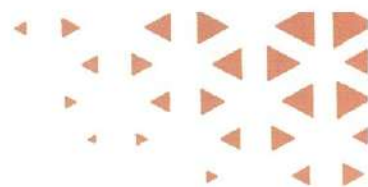
	30 June 2025	31 December 2024
The balance at the beginning of the period/ year	57,092,824	61,584,109
Refund within the period/ year - note No. 10	(1,514,750)	(4,491,285)
Currency Exchange Difference within the period/ year	(1,096,434)	--
The balance at the end of the period/ year	54,481,640	57,092,824

15- Debtors and other receivables

	30 June 2025	31 December 2024
Tax Authority	114,913,255	148,887,642
Suppliers of advance payments	48,506,527	20,617,790
Other receivables	162,437,815	108,673,998
Less	325,857,597	278,179,430
Expected Credit Losses*	(75,869,356)	(74,797,372)
Balance	249,988,241	203,382,058

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The movement on the expected Credit Losses in Debtors and Other Debit Balances are represented in the following:

	30 June 2025	31 December 2024
The balance at the beginning of the period/ year	74,797,372	76,262,115
Expected Credit Losses within the period/year	--	(2,262,343)
Currency Exchange Difference within the period/ year	1,071,984	797,600
The balance at the end of the period/ year	<u>75,869,356</u>	<u>74,797,372</u>

16- Cash in hand and at banks

	Notes No.	30 June 2025	31 December 2024
Cash on hand		7,447,932	--
Current Account at banks		73,271,124	112,126,722
Term deposits		41,872,280	42,792,787
		<u>122,591,336</u>	<u>154,919,509</u>
Less			
Expected Credit Losses		(27,226)	(27,226)
Balance		<u>122,564,110</u>	<u>154,892,283</u>
Overdraft banks	(17)	(1,458,189,080)	(1,410,076,741)
Cash and Its Equivalent		<u>(1,335,624,970)</u>	<u>(1,255,184,458)</u>

16-1 For purposes of preparing cash flows statement, the cash and Its Equivalent are represented in the following:

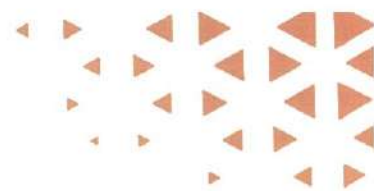
	for Financial Period ending on	
	30 June 2025	30 June 2024
Balance of Cash in hand and at banks	122,591,336	153,982,215
Less		
Overdraft banks	(1,458,189,080)	(1,081,731,456)
Balance in accordance with the cash flows statement	<u>(1,335,597,744)</u>	<u>(927,749,241)</u>

17- Overdraft banks

	30 June 2025	31 December 2024
Banking facilities without guarantee (Overdraft banks)	1,458,189,080	1,410,076,741
Balance	<u>1,458,189,080</u>	<u>1,410,076,741</u>

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The credit limit represents the credit facilities granted and utilized by the banks as of 30 June 2025, for the company as follows:

The granted credit limit used by banks on 30 June 2025

Bank	Permissible limit	Used	The guarantee
National Bank of Egypt	105 million	69,72 million	Without guarantee
Abu Dhabi Islamic Bank	100 million	34.61 million	Without guarantee
Kuwait Finance House (KFH)	100 million	42,25 million	Without guarantee
National Bank of Kuwait	100 million	80,45 million	Without guarantee
Egyptian Arab Land Bank	150 million	105,41 million	Without guarantee
United Bank	50 million	5.21 million	Without guarantee
Baraka Bank	90 million	79,34 million	Without guarantee
Alexandria Bank	182 million	105,54 million	Without guarantee
Attijariwafa bank	90 million	24.35 million	Without guarantee
National Bank of Kuwait	100 million	31,24 million	Without guarantee
Emirates Dubai Bank	120 million	66,68 million	Without guarantee
Arab African International Bank	50 million	--	Without guarantee
Arab Bank	120 million	--	Without guarantee
Banque Misr	150 million	70.76 million	Without guarantee
NXT Commercial Bank	200 million	202.54 million	Without guarantee
Qatar National Bank	150 million	136.34 million	Without guarantee
MID Bank	100 million	49.46 million	Without guarantee
First Abu Dhabi Bank	175 million	66.46 million	Without guarantee
Cairo Bank	175 million	105.23 million	Without guarantee
Agricultural Bank of Egypt (ABE)	200 million	199.45 million	Without guarantee
Credit Agricole Bank	100 million	46.18 million	Without guarantee
Abu Dhabi Commercial Bank	100 million	13.92 million	Without guarantee

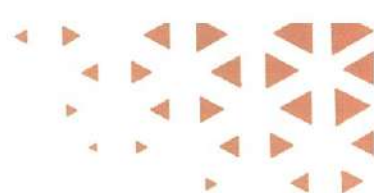
18- Deferred Revenues

The deferred revenue item represents the value of a grant from the Environmental Affairs Agency related to the Serac filling machine. The grant has been recorded under long-term deferred revenue and will be amortized on a systematic basis in line with the depreciation of the related assets over their estimated useful life.

	30 June 2025	31 December 2024
Total balance of deferred Revenues - at the beginning of the period/ year	83,760	157,200
Less		
Grant depreciation installment (transferred to consolidated income statement)	(36,720)	(73,440)
	47,040	83,760
Short term deferred Revenues (Note No. 20)	36,720	73,440
Long term deferred revenues balance	10,320	10,320

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19- Trade notes and payables

	30 June 2025	31 December 2024
Trade payables	294,651,991	147,114,940
Payment Notes	4,388,997	109,463,112
Balance	299,040,988	256,578,052

20- Trade and other payables

	Notes No.	30 June 2025	31 December 2024
Credit Balances Clients		32,870,314	72,998,274
Short term deferred Revenues	(18)	36,720	73,440
Tax Authority		1,051,200	8,182,938
Other credit balances		22,511,269	41,690,289
Balance		56,469,503	122,944,941

21- Claims provisions

	30 June 2025	31 December 2024
The balance at the beginning of the period/ year	114,388,767	18,735,885
Accumulated within the period/ year	56,487,918	94,399,261
Used within the period/ year	--	(1,107,192)
Currency Exchange Difference within the period/ year	(148,031)	2,360,813
The balance at the end of the period/ year	170,728,654	114,388,767

- The provision represents the value of claims related to obligations that are uncertain in timing and amount in connection with the Group's activities. Management reviews these provisions annually and adjusts the provision amount based on the latest developments, discussions, and agreements with the concerned parties.
- The usual disclosures regarding the provisions have not been made, as Group Management believes that such disclosure could seriously affect the outcome of negotiations with the concerned parties.

22- Capital and Reserves

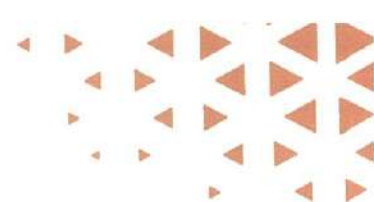
22-1 Authorized Capital

The authorized Capital of the parent company amounted to 200 million EGP, after the extraordinary general assembly agreed on 5 February 2005 on the the increase of authorized capital from 20 million EGP to 200 million EGP (only two hundred million EGP).

On 18 December 2022, the Extraordinary General Assembly decided to increase the authorized capital from 200 million EGP to 500 million EGP, and it was recorded in the commercial register on 11 June 2023.

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22- 2 Paid and issued Capital

On 30 June 2025, The issued and paid Capital amounted to 240,089,400 EGP, distributed to 240,089,400 shares.

The Extraordinary General Assembly of the Company held on April 26, 2025 approved the distribution of bonus shares to the Company's shareholders at the rate of one share for every three shares held. The Assembly further resolved to increase the Company's issued and paid-up share capital from EGP 180,067,050 (one hundred eighty million, sixty-seven thousand and fifty Egyptian Pounds) to EGP 240,089,400 (two hundred forty million, eighty-nine thousand and four hundred Egyptian Pounds), distributed over 240,089,400 shares, with an increase of EGP 60,022,350 (sixty million, twenty-two thousand, three hundred and fifty Egyptian Pounds), representing 60,022,350 shares at a par value of EGP 1 (one Egyptian Pound) per share. This increase was recorded in the Commercial Register on June 30, 2025.

22-3 Reserves

In accordance with the Companies Law and the parent company's Articles of Association, at least 5% of the annual net profit is allocated to form the legal reserve. Conversion to legal reserves is ceased when the reserves reaches 100 % of issued capital.

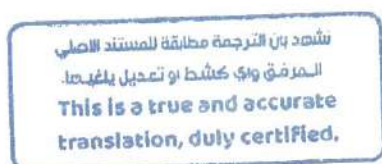
In accordance with the company's Articles of Association, at least 5% of the annual net profit is allocated to form the statutory reserve. Conversion to statutory reserves is ceased, when the reserves reaches 100 % of issued capital, the non-distributable reserves, however it may be used to increase capital or reduce losses.

22-4 Non-controlling interest share

	Capital	Reserves	Carried forward profits	Balance in 30 June 2025	Balance in 31 December 2024
The balance at the beginning of the period/ year	2,500,000	603,761	4,358,768	7,462,529	6,256,668
Converted to Reserves	--	85,374	(85,374)	--	--
Net profits of the period/year	--	--	2,958,507	2,958,507	2,698,008
Profits Dividends	--	--	(1,171,334)	(1,171,334)	(1,472,622)
Settlements	--	(263,538)	263,538	--	(19,525)
The balance at the end of the period/ year	2,500,000	425,597	6,324,105	9,249,702	7,462,529

23- Relevant parties

Related parties include the Group's shareholders, board members, and companies in which shareholders directly or indirectly own shares that grant them significant influence over these entities. Below is a statement of the key transactions conducted during the period and the balances of related parties as of the date of the separate financial statements.



23-1 Dues from/ to related parties

Notes	Type	Nature	Volume	Balance on		Balance on	
				30 June 2025		31 December 2024	
No.	Party	Transaction	Transaction	Debtor	Creditor	Debtor	Creditor
Albeir Company for Pesticides and Chemicals	Associate Company	Sales by Agency	353,459,173	459,888	31,811,204	353,742	60,354,959
		Incentive bonus	27,868,083				
		Sold services	198,177				
				<u>459,888</u>	<u>31,811,204</u>	<u>353,742</u>	<u>60,354,959</u>

23-2 Transactions with related parties

Notes No.	Type Party	Nature Transaction	Volume Transaction	Facility Limit	Balance on 30 June 2025		Balance on 31 December 2024	
					Debtor	Debtor	Debtor	Creditor
Banque Misr "Shareholder" "Current Account banks and overdraft banks"	(16)	Shareholder	Current debit and financing credits and letters of guarantee	150,000,000	--	32,998,207	--	61,307,575
			Debit Interests and others expenditures	23,038,558				
					<u>--</u>	<u>32,998,207</u>	<u>--</u>	<u>61,307,575</u>

Summary of the most significant contract with the related parties

Albeir Company for Pesticides and Chemicals

A contract was signed between Kafr El Zayat for Pesticides and Chemicals and Alber for Pesticides and Chemicals, designating Alber as a non-exclusive and non-sole distributor for the products manufactured by Kafr El Zayat. Kafr El Zayat retains the right to contract with other distributors for product distribution within Egypt.

Under this agreement, Alber will distribute Kafr El Zayat's products at prices set by the manufacturer, in exchange for a promotional discount of up to 10.3% on distributed products. The final discount settlement will be made at the end of the year, provided Alber achieves annual purchases of EGP 90 million. If this threshold is not met, the discount rate will be adjusted based on the sales performance of each individual pesticide.

Alber is required to pay for the delivered products within 120 days from the issuance of the delivery authorization by Kafr El Zayat. In case of delayed payment, a late fee of 1% per month will be applied for the credit period. Conversely, for early payments, an early payment discount of 1% per month will be granted.

According to the Ordinary General Assembly resolution dated 30 March 2020, this contract was approved with an expiration date of 31 December 2020. It will be renewed with the mutual consent

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of both parties unless either party notifies the other of its intention to terminate the contract at least one month before its expiration.

Albeir Company for Pesticides and Chemicals shall distribute the products in the specified prices by Kafr El Zayat for Pesticides and Chemicals on the invoices of Kafr Al Zayat for Pesticides provided that it shall be stated in the invoice that Albeir Company for Pesticides and Chemicals is a distribution agent.

Albeir Company for Pesticides and Chemicals shall incur Value Added Tax duly imposed on the products which are produced by the company. The company shall deduct the value added tax from the payments made by Albeir Company for Pesticides and Chemicals and supply thereof to the Tax Authority.

24- Probable liabilities

	30 June 2025	31 December 2024
Probable liabilities		
The uncovered part of letters of guarantee	12,857,099	7,983,310
Documentary Credits	66,916,701	18,700,500
	<u>79,773,800</u>	<u>26,683,810</u>

25- Basic Earnings per Share (EGP/Share)

The main share of stock in net profits of the period shall be calculated as follows:

		for the six months ending on		for the three months ending on	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
Net profits of the period in accordance of income statement) (EGP)		155,101,776	231,108,813	42,321,049	102,226,008
Parent Company Shareholders' net profits of the period (EGP)		152,143,269	229,180,952	40,521,677	101,156,605
Weighted average for the parent company's shareholders of common shares. (Share)		240,089,400	240,089,400	240,089,400	240,089,400
Basic Earnings per Share (EGP/Share)	EGP/Share	<u>0.63</u>	<u>0.95</u>	<u>0.17</u>	<u>0.42</u>

26- Tax Situation

26-1 El Zayat Pesticides and Chemicals "K.Z" Parent Company

Tax type
Taxes Capital Companies

Years

Tax Situation

The company submits its corporate income tax return to the relevant tax authority annually and within the legally prescribed deadlines. It also pays any due taxes, if applicable, based on these returns. However, under

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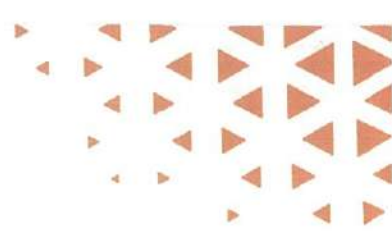
Egypt's tax system. the final tax liability owed to the Tax Authority cannot be precisely determined until a tax audit is conducted by the Tax Authority, and a final tax assessment is reached—either through internal committees, appeal committees, or judicial proceedings.

- 2005/2009 – The examination and reconciliation were conducted, and Forms (19) were received. An appeal was filed against the tax differences before the Internal Committee and the Appeals Committees, and the tax differences for the period were settled on 27/06/2024. The legal case before the State Council in Damanhour is still under follow-up regarding one of the disputed points, and a request has been submitted to the Dispute Settlement Committee.
- 2010/2012 – The examination and reconciliation were carried out, and Form (19) was received. An appeal was filed within the legal deadline before the Internal Committee and the Appeals Committees, and the tax differences for those years were settled. Form (9) was received confirming the settlement of all tax liabilities for the period on 27/06/2024. The legal case before the State Council in Abbassiya is still under follow-up regarding one of the disputed points, and a request has been submitted to the Dispute Settlement Committee.
- 2013/2015 – “The examination was conducted and Form (15) was received. An appeal was filed within the legal deadline before the Internal Committee and the Appeals Committees, which resulted in an amount of EGP 793,973 as audit differences. The file has been referred to the Experts Committee at the State Council in Al-Rehab until this date.”
- 2016/2017 – The examination was conducted and Form (15) was received, which resulted in audit differences amounting to EGP 72,897,460. An appeal was filed, and the differences were reduced to EGP 17,680,667, and the file was referred to the Experts Committee at the State Council in Tanta.
- 2018/2019 – The examination was conducted and Form (15) was received, which resulted in audit differences amounting to EGP 36,248,557. An appeal was filed within the legal time limit, and the file was referred to the Experts Committee for re-examination.
- 2020 – The examination was carried out on the electronic portal, and the company was notified on Form (3/4) with an amount of EGP 10,315,902. An appeal was filed within the legal time limit on the electronic portal, and the file is currently under follow-up.
- 2021/2023 The company was notified of the examination on the Authority's website by Form No. (3/4), and preparations for the examination are underway.
- Income Tax** 2009/2015 – Inspected and settled
- 2016/2023 – Returns are submitted on time but inspection is not made
- Stamp Tax** – The inspection was conducted up to December 31, 2005, and the file was referred to the internal committee. Some points of dispute were resolved, while others were referred to the appeal committee. The matter was then forwarded to the experts' sector due to the company's objection to the imposition of a stamp tax amounting to EGP 213,176. The experts concluded that the tax due from the company was only EGP 10,933.
- 2006/2013 – The inspection and payment of the due tax have been completed.
- 2014/2023 – Inspection is not made

The payment has been made, and the declarations related to advertisements

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		are being submitted regularly.
General taxes	2008/2009	- The inspection and payment of the due tax have been completed.
Sales and the Added Value	2010/2014	- Inspection was conducted and referred to the internal committee
Real Estate Taxes	2015/2023	- Returns are submitted on time but inspection is not made
		- Tax is paid up to 30 September 2013
		- A claim was received for the period from 31 December 2013 until 31 December 2015, and an objection was filed thereon. The matter was referred to the Appeals Committee, and a good faith deposit in the amount of 1,440,574 Egyptian Pounds was paid.
Company's branch in Nobariya	On 8 February 2007, Tax Exemption was granted to the Company's branch in Nobariya, which is based in plot No. 57 and 58, First Industrial Area in Nubariya, in accordance with Article 24 of Law No. 59 of 1979, for ten years as of January 2006, provided that the initial period shall be from 23 October 2005 to 31 December 2005, the actual operation of the branch started on the first of September 2007.	
* The company has allocated provisions for the above-mentioned tax claims in accordance with the management's opinion and considers the provisions to be sufficient.		
* The company has allocated provisions for the above-mentioned tax claims in accordance with the management's opinion and considers the provisions to be sufficient.		

26-2 Kafr Al Zayat International Pesticides and Chemicals

The company is governed by the provisions of Law No. 230 of 1989, amended under law No. 8 of 1997, with respect to the investment guarantees and guarantees, in accordance with Article 35 of Law and its executive regulations, the company is not subject to the provisions of tax laws and the applicable fees in Egypt, otherwise, the company shall subject to the free zone fees established under law.

Tax type	Years	Tax Situation
Income Tax	From the beginning of business Up to 2014 2015/2023	Settlement is made and differences was paid. Returns are submitted and tax are settled regularly
Sales and Added Value Tax	From the beginning of business Up to 2016 2017/2023	- Inspection is made, differences resulting from inspection is paid - Tax Returns are submitted regularly but inspection is not made

26-3 ORGANIC BIO TECHNOLOGY COMPANY "SUBSIDIARY"

Taxes Capital Companies

In accordance with the resolution of the president the General Authority for Investment and Free Zones No. 14 of 2006 on 17 September 2006. The company was licenses to perform production, manufacturing, formation, and packaging biological and biotechnological products to ORGANIC Biotechnology

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Company. in accordance with the provisions of Law No. 159 of 1981. and with the guarantees and incentives including the tax exemptions stipulated in Law No. 8 of 1997. Accordingly, the company was granted a tax exemption starting from the year following the commencement of operations, for a period of ten years, ending on 31 December 2016.

Tax type	Years	Tax Situation
Income Tax	From the beginning of business Up to 2007	The inspection is made and all liabilities are paid
	2008/2011	- Forms were provided and appealed and referred tp the internal committee, then it is completed and all liabilities are paid.
	2012/2023	- Tax inspection is not made and returns were provided on the legal date.
Sales and Added Value Tax	From the beginning of business Up to 2008	- The inspection is made and all differences are paid
	2009/2013	- Inspection was made, the file was referred to the appeal committee, and a judicial procedure is filed.
	2017/2018	- The inspection is made and all differences are paid
Income Tax	2009/2014	- Inspection was conducted and and the file was referred to internal committee
	2015/2024	- Annual returns are regularly provided.

26-4 Kemi for Imports and Exports "Affiliate"

The company commenced its business on 17 March 2013, and tax returns were submitted on legal dates.

26-5 Egyptos Multitrade Distribution Company "Subsidiary"

The company commenced its business on 20 December 2021, and tax returns were submitted on legal dates.

27- Management of Financial Risks

27- 1 Elements of Financial Risks

The group is exposed to various financial risks due to her usual business These risks include market risks (including the Exchange rate risks and prices fluctuation risks, interest rate risks, credit risks, and liquidity risks.

The group management aims at mitigating the probable negative impacts of these risks on the group's financial performance.

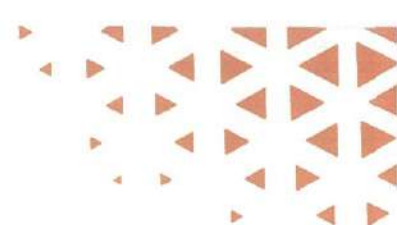
A. Credit Risks

Credit risk arises from the presence of cash and deposits with banks, as well as credit risks associated with distributors, wholesalers, and individuals, represented by customer accounts and notes receivable. Credit risk is managed for the group as a whole.

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As for banks, it is dealt with banks with high credit rating and high solvency banks, in case of absence of independent credit rating.

For suppliers and wholesalers, the credit management department assesses the creditworthiness based on financial position, past experiences in transactions, and other factors. For individuals, the legal arrangements and documents at execution of the transaction mitigates the credit risks to the minimum. The provisions required to face insolvency of clients are composed for each individual incident. Hereunder the percentage decrease in the value of accounts receivable and notes receivable relative to the total liabilities:

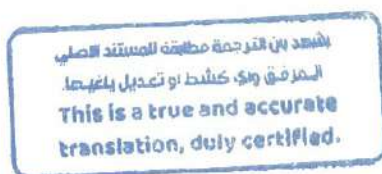
Description	Notes No.	30 June 2025	31 December 2024
Trade notes and other receivables	(14)	548,983,622	544,983,648
Dues from relevant parties	(23)	459,888	353,742
Debtors and other debit balances	(15)	249,988,241	203,382,058
		799,431,751	748,719,448

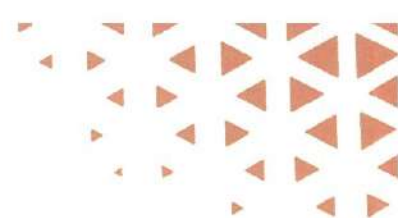
The financial assets of the group is composed of the trade receivables, which are represented in the due amounts and investment balances. These financial assets do not represent a significant concentration of risk. Trade receivables are distributed to various sectors. There is strict oversight on credit, and impairment losses are appropriately recognized. The company manages the credit risks related to investments by ensuring that these investments are made after accurately assessing the credit risks associated with them.

B. Liquidity risks

The careful management of liquidity risks requires maintaining a sufficient level of cash and providing financing through adequate amounts of available credit facilities. Due to the dynamic nature of main activities, the group management aims at maintaining the flexibility of financing through maintaining the available enhanced credit lines.

This note shows the contractual conditions of financial liabilities on the date of financial position statement





Description	Notes No.	Carrying Value	One year or less
30 June 2025			
Overdraft banks	(17)	1,458,189,080	1,458,189,080
Suppliers, notes payable, and other creditors		355,510,491	355,510,491
Dues to relevant parties	(23-1)	31,811,204	31,811,204
		1,845,510,775	1,845,510,775
31 December 2024			
Overdraft banks	(17)	1,410,076,741	1,410,076,741
Suppliers, notes payable, and other creditors		379,522,993	379,522,993
Dues to relevant parties	(23-1)	60,354,959	60,354,959
		1,849,954,693	1,849,954,693

C. Market risks

1. Foreign Currencies Exchange Rate Risks

Foreign Currencies risks are represented in the fluctuation in the financial instruments prices as a change in the foreign Currencies exchange rate.

Statement of Foreign Currencies exchange rates in EGP

	Closure prices	
	30 June 2025	31 December 2024
USD	49,64	50,89
Euro	58,33	53,05
Japanese Yuan (per Yuan)	0,35	0,245

27-2 Capital Management

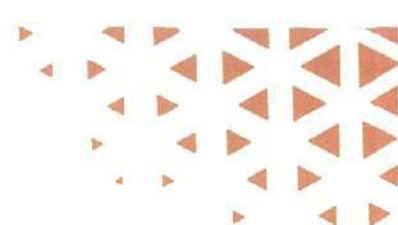
The group management aims at managing capital to maintain the group's ability to sustain itself in a manner that realizes returns for shareholders and provides benefits to other stakeholders, as reflected in the financial statements. In addition to providing and maintaining the best capital structure for purpose of reducing capital cost.

To maintain the best capital structure, the management change the value of dividends paid to the shareholders or reduce capital or issue new shares for parent company's capital.

The company management monitors the capital structure using the net overdraft ratio to total capital. The net credit facilities are represented by the total credit facilities and payables less cash. The total capital is represented in total equities of the Group as stated in the Financial Position Statement in addition to the net credit facilities.

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Hereunder the ratio between the net credit facilities to total equities at 30 June 2025 and 31 December 2024.

	30 June 2025	31 December 2024
Net credit facilities		
Overdraft banks	1,458,189,080	1,410,076,741
Payment Notes	4,388,997	109,463,112
Total credit facilities and Payables	1,462,578,077	1,519,539,853
(Less):		
Cash and Its Equivalent	(122,591,336)	(154,919,509)
Letters of Guarantee Coverage	(15,926,314)	(64,318,411)
Net credit facilities	1,324,060,427	1,300,301,933
Total equities	798,894,329	776,918,142
Ratio of the net credit facilities to total equities	166%	167%

27-3 Prices Fluctuation Risks

The company have no investments in equity instruments or debt instruments registered and traded in the financial markets, and therefore the company is not exposed to the risk of changes in the fair value of investments due to prices fluctuations at market.

27- 4 Interest rate risks on the cash flows and value added

The interest rate risk is represented in the financial instrument fluctuation risks as a result of the changes in the interest rate prevailing at market.

It is represented by the change in interest rates on the parent company's debt to banks, which consists of credit facility balances that amounted to 1,458 million Egyptian pounds as of June 30, 2025 (compared to 1,410 million Egyptian pounds on December 31, 2024). The interest and financing expenses related to these balances amounted to 1.233 million Egyptian pounds during the current fiscal year (compared to 1.108 million Egyptian pounds during the comparison year).

The balances of time deposits as of 30 June 2025, amounted to 41.9 million Egyptian pounds (compared to 42.8 million Egyptian pounds on December 31, 2024). The interest income related to these balances amounted to 645 thousand Egyptian pounds (compared to 924 thousand Egyptian pounds during the comparison year).

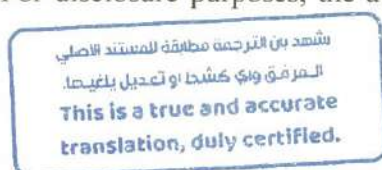
To mitigate these risks, the company's management is working to obtain the best available terms in the banking market regarding credit facility balances, and it regularly reviews the prevailing interest rates in the banking market.

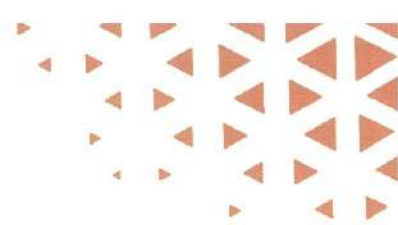
The form of this risk appears in the financial instruments interest rates of the parent company on the date of these financial statements as follows:

Description	Notes No.	30 June 2025	31 December 2024
Term deposits	(16)	41,872,280	42,792,787
Financial Liabilities (Banking facilities)	(17)	1,458,189,080	1,410,076,741

27- 5 Estimation of Fair Value

The fair value is supposed to approximate the nominal value less any estimated credit adjustments for financial assets and financial liabilities with maturities of less than one year. For disclosure purposes, the available interest rate for the company is used for the similar





financial instruments, to deduct the contractual future credit risks to estimate the fair value of the financial liabilities.

To estimate the fair value of the non-current financial instruments, the group used many methods and applied the assumptions based on the market status on the date of each balance sheet. Market prices or customer prices for the financial instrument or a similar instrument are used for long-term debt. Other methods, such as the estimated present value of future cash flows, are used to determine the fair value of the remaining financial instruments. At the financial statements date, the fair value of non-current liabilities did not differ significantly from their book value due to the lack of significant differences in interest rates.

28- Significant events

- On 27 October 2022, and 6 March 2024, the Central Bank of Egypt issued decisions regarding the liberalization of the exchange rate for foreign currencies against the Egyptian pound. This was implemented using a flexible exchange rate system based on supply and demand, which resulted in a significant increase in the exchange rates of foreign currencies against the local currency (the Egyptian pound).
- The Monetary Policy Committee of the Central Bank of Egypt has decided to raise the overnight deposit rate, the overnight lending rate, and the Central Bank's main operation rate by 800 basis points during the year 2024, to reach 27.75%, 28.25 % and 27,25 %, respectively. The credit and discount rate has also been raised by 800 basis points to reach 27,75 %.
- On October 23, 2024, the Prime Minister issued Decree No. (3527) of 2024, approving the Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies." According to paragraph (6) of the standard, the start and end dates of the financial period(s) during which this standard must be applied shall be determined by a decision of the Prime Minister or his delegate.
- On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates, as well as the Central Bank's main operation rate, by 225 basis points to reach 25.00%, 26.00%, and 25.50%, respectively. The credit and discount rate was also reduced by 225 basis points to reach 25.50%.
- On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates, as well as the Central Bank's main operation rate, by 100 basis points to reach 24.00%, 25.00%, and 24.50%, respectively. The credit and discount rate was also reduced by 100 basis points to reach 24.50%.

29- The applicable most significant policies

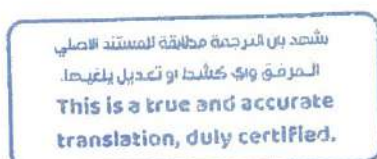
The accounting policies provided hereunder are applied consistently during the presented financial years in these consolidated financial statements.

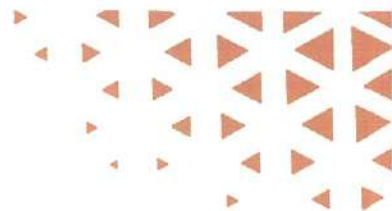
29- 1 Basis of Preparing Consolidated Financial Statements

Hereunder the summary of the most accounting policies which are used in preparing Consolidated Financial Statements:

A. Consolidation of Works

- The consolidation of Works in the group are accounted by using acquisition method, when the control is moved to the group.
- The transferred financial consideration as well as the determinable acquired assets at the acquisition procedure is measured according to their fair value.





- An annual impairment test is performed for goodwill arising from acquisitions. Any profits resulting from a bargain purchase is recognized immediately in profit or loss.
- The costs related to acquisition shall be processed as expenditures in the years, when they are incurred, and receiving services except one, which is issuance of financial securities against the receivables and equities.
- The consideration transferred shall not include the paid amounts to settle existing relationships between the acquired company, which is usually recognized in profits or losses.
- Contingent consideration is measured at fair value at the acquisition date. If the obligation to pay the contingent consideration meets the criteria to be classified as an equity instrument, it is included within equity and is not remeasured subsequently. Any subsequent settlement is accounted for within equity. In all other cases, contingent consideration is remeasured at fair value at each reporting date, with any changes in fair value recognized in profit or loss

1- Affiliate Companies

The affiliate companies are companies controlled by the group.

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

The Consolidated Financial Statements included the affiliate companies which it control until the date it loses tj

2- Non-controlling equities

The non controlling equities are measured according to the percentages in the recognized values in the net assets, which can be determined in the acquired company.

Changes in the group equities in the affiliates companies, which do not lead to the loss of control, shall be recognized as transactions between equities holders/

3- Control loss

When the group the lose the control on the affiliate company, it excludes the assets and liabilities, uncontrolled rights, and its comprehensive Income items With recognition of any profits or losses resulting from the loss of control in Profits or Losses Statement, and any remaining investment in the affiliate company is recognized in fair value when the control is lost.

4- Exclusions from Consolidated Financial Statements

Intercompany balances and transactions, as well as unrealized gains and losses arising from intercompany transactions, are eliminated in full.

Unrealized gains resulting from transactions with investments accounted for using the equity method are eliminated to the extent of the Group's interest therein. Unrealized losses are eliminated in the same applicable way in the unrealized profits, unless if the transaction is made as an indicator for the impairment of the transferred asset value.

29- 2 Transactions in foreign currencies

The foreign currencies are translated to the functional currency of the group at the exchange rate on the transaction dates.

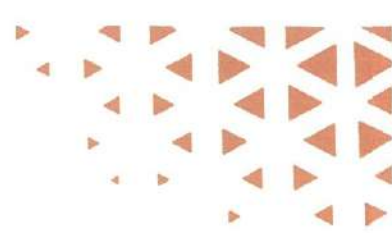
Cash assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate on the date of financial statements.

The assets and liabilities which are measured at the fair value in foreign currency shall be translated at the exchange rate used at determining the fair value.

Non-cash assets and liabilities which are measured at historic cost are translated to foreign currency at the exchange rate on the date of transaction.

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Generally, the difference in currency exchange rate are recognized in the statement of profits or losses. Except for exchange differences arising from the translation of items recognized in other comprehensive income.

- Available-for-sale investments in equity instruments (except for impairment, where exchange differences are reclassified from other comprehensive income to profit or loss).
- Financial liabilities designated as a hedging instrument for hedging the risk of a net investment in a foreign operation, as long as the hedge remains effective.
- Hedging instruments used for cash flow risk hedging, as long as the hedge remains effective.

29-3 Translation of the financial Statements of foreign currencies

The accounts of Kafr El Zayat International for Pesticides and Chemicals – the Free Zone branch – are maintained in US Dollars. For the purpose of preparing the consolidated financial statements, assets and liabilities are translated into Egyptian Pounds at the closing exchange rate prevailing on the date of the consolidated financial statements. The consolidated Financial Statements items are translated by using the average exchange rate with the year for which these consolidated Financial Statements. Foreign exchange differences arising from the translation of the consolidated financial statements are included in equity under the item 'Foreign currency translation differences' in the consolidated financial statements.

For the purposes of preparing the consolidated statement of cash flows, cash flows arising from the translation of foreign subsidiaries' financial statements are translated at the average exchange rate for the financial year.

29-4 Discontinued operations

Discontinued operations are a part of the group's activities, whose operations and cash flows can be distinguished from the rest of the group.

The classification of an operation as discontinued is recognized upon disposal or when the operation meets the requirements to be classified as held for sale, whichever comes first.

When the operation is classified as discontinued operation, the comparison numbers are amended in profits, losses, and other comprehensive income, as if the operation is excluded from the beginning of the comparison period.

29-5 Fixed assets and its depreciation

A. Initial Recognition and Measurement

Fixed assets are recognized at cost less total depreciation and total impairment losses.

If the essential components of each fixed asset has different productive life, it shall be calculated as independent items (main components) among these fixed assets.

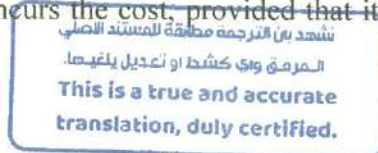
Profits or losses resulting from excluding fixed assets shall be recognized at the profits or losses.

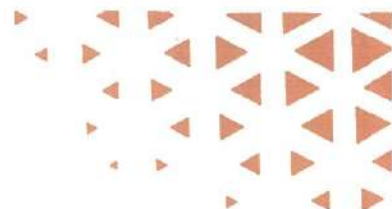
Cost includes all direct costs which are related to the acquisition of asset, with respect to the assets which are internally established, The cost of asset include the cost of materials, direct labor, and other direct costs, which is required for the operation of preparation of these assets, to reach the operational status in the site and for the purpose for which it is acquired, as well as the cost of its removal and re-leveling of the site on which these assets exist.

Components of a fixed asset item that have different useful lives are accounted for separately as distinct items within fixed assets.

B. Post-acquisition costs

The cost of replacing a component of an asset is recognized as part of the asset's carrying amount, and the carrying amount of the replaced component is de-recognized when the Group incurs the cost, provided that it is probable that future economic benefits associated with the





replacement will flow to the Company and the cost of the replacement can be measured reliably. Other costs are recognized in the income statement as expenses when it incurred.

C. Depreciation

The depreciable fixed assets, which is represented in the asset cost less its scraping value, is depreciated according to fixed installment method along the estimated productive life for each fixed asset type, depreciation shall be then charged to Profits or losses. Lands shall not be depreciated Hereunder a description of the estimated depreciation year for the current period;

Description of Asset	Estimated productive life (Year)
Buildings and facilities	From 20 to 50
Plants and equipment	From 8 to 20
Transportation means	From 5 to 20
Kits and tools	From 4 to 20
Furniture and Office equipment	10

The depreciation method, useful lives, and residual values of fixed assets are reviewed at the end of each financial period and adjusted if necessary.

29- 6 Under progress projects

The projects under progress are recognized at their cost. The cost includes all directly related expenses necessary to prepare the asset for use in the condition and for the purpose it was acquired.

The projects in progress are transferred to fixed assets when they are completed. They must be available for use.

29- 7 The assets related grants

The assets associated grants are processed as long term deferred revenues, and it shall be recorded in the independent income statement as per regular depreciation basis, align with the depreciation of the assets associated thereto along its estimated productive life, which is estimated to be from 11 to 13 years.

29-8 Investments

Financial investments measured at fair value through other comprehensive income (FVOCI).

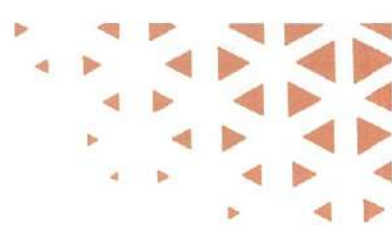
The initial recognition of financial investments measured at fair value through other comprehensive income is made in the other comprehensive income. At the reporting date, changes in fair value, whether gains or losses, are recognized directly in other comprehensive income, except for impairment losses on the investment, which are recognized in the income statement.

When the investment is derecognized, any accumulated gains or losses previously recognized directly in equity are included in the income statement. The fair value of financial investments measured at fair value through other comprehensive income is determined based on the quoted market price in an active market at the reporting date.

For investments that do not have a quoted market price in an active market, they are valued using one of the accepted valuation methods, including recent arm's length transactions, discounted cash flow analysis, option pricing models, or other valuation techniques. If the

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company is unable to estimate the fair value, the investment is measured at cost less any impairment in value.

29- 9 The current assets kept for sale

Current assets held for sale are current assets whose carrying amount is expected to be recovered primarily through a sale transaction rather than through continued use. These assets are measured at their carrying value or fair value less the sale cost, whichever less.

In the event of an impairment in the value of these investments, the carrying amount is adjusted by the amount of the impairment, which is recognized in the profits or losses statement. The reversal of impairment losses is recognized in the period in which it occurs, but only up to the previously reduced carrying amount, unless an impairment loss had been recognized for the asset in prior years.

29-10 Borrowing Cost

Borrowing costs, including interest, bank fees, amortization of discounts or premiums related to borrowing, and the exchange differences generated due to the change in interest rates is recognized in the income statement. Exceptionally, borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying fixed asset are capitalized as part of the asset's cost and are depreciated over its estimated useful life.

The capitalization of borrowing costs as part of the cost of the related fixed asset begins when actual expenditure on the asset starts and continues during the period in which the group incurs borrowing costs. Capitalization ceases during periods of temporary suspension of asset construction or when the asset is ready for use.

29-11 Inventory

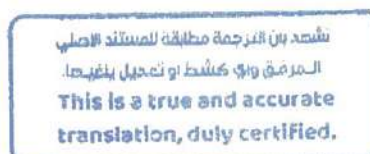
Inventory is recognized at cost or net sale value, whichever less. It represents the net sale value in the expected sale price through the regular activity less the estimated cost for completion and sale expenses.

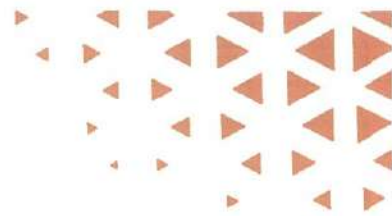
The inventory cost is calculated upon the following basis

- Materials, spare parts, missions, and packaging materials: Shall be recognized at their actual cost until it reach the stores, so the spent shall be priced upon the basis of prevailing average
- Unfinished production On the basis of actual industrial cost, which includes the cost of raw materials, direct industrial labor, and indirect industrial expenses and burdens, according to the latest production stage reached.
- Finished production On the basis of industrial cost (direct and indirect) or the net sale value, whichever less.
- Goods purchased for sale purposes On the basis of purchase cost or the net sale value, whichever less.

29- 12 Clients, Receivables, debtors and other debit balances

Trade receivables, notes receivable, debtors, and other non-interest-bearing receivables are recognized at their nominal value, net of any impairment (29-13). Impairment is recognized when there is objective evidence that the group will be unable to collect all due amounts under the original contract terms. The impairment amount is the difference between the carrying amount and the recoverable amount, which represents the expected future cash flows the group anticipates receiving.





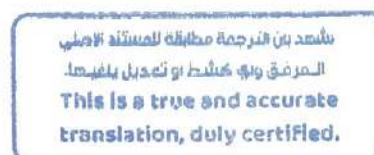
Trade and other long term receivables are initially recognized at their fair value, then it shall be measured at the depreciated cost by using actual interest rate method.

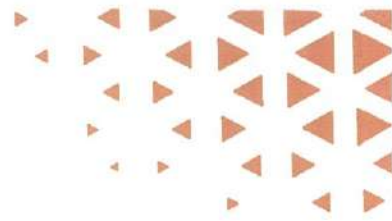
29- 13 Cash and Its Equivalent

Cash and cash equivalents include bank balances, cash on hand, demand deposits, and bank overdrafts that are repayable on demand, which form an integral part of the Group's cash management system. These are considered for the purpose of preparing the standalone statement of cash flows.

29- 14 Measurement of Fair Value

- Fair value represents the price that the company would receive for selling an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability, or in the market that would provide the greatest benefit for the asset or liability.
- The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants will act in their economic best interests.
- Fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits either by using the asset to its highest and best use or by selling it to another market participant who would use the asset to its highest capacity.
- As for the current assets in the active market, the fair value is determined by referring to the declared market prices.
- The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for similar items with the same terms and risk characteristics.
- However with respect to the unlisted assets, the fair value shall be determined by resorting to the market value of similar asset or by depending on the expected deducted cash flows.
- The company uses appropriate valuation methods based on the surrounding circumstances and the availability of sufficient data to measure fair value. It maximizes the use of observable inputs and minimizes the use of unobservable inputs.
- All assets and liabilities which are measured at fair value or disclosed in the financial statements are classified in substantial categories for measurement the fair value as a whole.
 - First Level: By using unmodified quoted prices for identical assets or liabilities in active markets.
 - Second Level Using inputs other than quoted prices in Level 1, but which are observable for the asset or liability either directly (i.e., prices) or indirectly (i.e., derived from prices).
 - Third Level Using valuation techniques that involve inputs for the asset or liability that are not based on observable market data.





- With regard to assets and liabilities that are recognized in the financial statements on a recurring basis, the entity determines whether there are any transfers.
- That occurred between the three levels of the hierarchy due to a reclassification at the end of the reporting period.
- For the purposes of fair value disclosures, the company has categorized assets and liabilities based on their nature, characteristics, and the risks associated with each, as well as the level at which they are classified within the fair value hierarchy, as outlined above.

29-15 Impairment:

29-15-1 Non-Derivative Financial Assets;

For financial assets not classified and measured at fair value through profit or loss, including equity interests accounted for using the equity method, the group, at the end of each financial period, estimates whether there is objective evidence of impairment asset's value,

The objective evidence of impairment in Asset's value includes:

- Failure or default in payment by the debtor
- Reclassification of due amounts for the group under conditions not accepted by the company in any other conditions.
- Indicators on the bankruptcy of the debtor or exporter
- Adverse changes in the repayment conditions for borrowers or exporters.
- Disappearance of active market for the financial asset due to financial difficulties.
- There is a Clear evidence indicating a measurable decrement in future cash flows, which are expected from a group of financial assets.

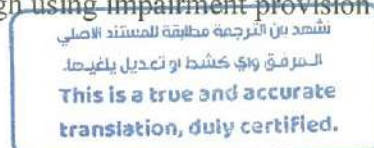
As for investments in equity instruments, objective evidence of impairment includes a significant or prolonged impairment in the fair value than the cost. The group considers that the decrease by 20 % is significant, and the term of nine months is deemed continuous.

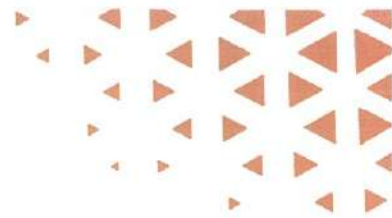
29-15-2 Financial Assets recognized at depreciated cost:

The group assesses whether there is objective evidence of impairment in the value of these assets, either individually or on a collective basis. Any assets that are individually significant are assessed for impairment on an individual basis. If no evidence of impairment is found for these individual assets, they are then evaluated collectively for any impairment that may have occurred but has not yet been identified at the individual asset level. Assets that are not considered individually significant are evaluated collectively for any impairment in value. For collective assessment purposes, assets with similar risks are collected together.

When assessing impairment at the collective level for assets, the group uses historical information about the timing of the recovery of losses arising from impairment and the value of incurred losses. Adjustments are made if current economic and credit conditions indicate that actual losses are likely to be greater or less than those expected based on historical indicators.

Impairment losses are calculated as the difference between the carrying amount of the asset and the present value of the expected future cash flows, discounted at the original effective interest rate of the financial asset. The losses are recognized in profits or losses statement, and the assets carrying value is reduced through using impairment provision account.





If the group believes that there is no realistic possibility of reversing the impairment loss on the asset, it will write off the related carrying amount.

If the value of an impairment loss subsequently decreases, and this decrease can be objectively linked to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss.

29-15-3 Financial Assets available for sale:

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses previously recognized in other comprehensive income and accumulated in the fair value reserve to profit or loss. The amount of the accumulated loss removed from equity and recognized in profit or loss is the difference between the acquisition cost (net of any depreciation or repayment of any part of the principal) and the fair value, less any impairment losses on the financial asset that were previously recognized in profit or loss.

When the fair value of a debt instrument classified as available-for-sale increases in a subsequent period, and this increase is objectively related to an event that occurred after the recognition of an impairment loss in profit or loss, the impairment loss is reversed in profit or loss.

Impairment losses recognized in profit or loss are not reversed for any investment in an equity instrument classified as available-for-sale in profit or loss.

29-15-4 Non-Financial Assets:

At the end of each financial period, the group reviews the carrying amounts of its non-financial assets (excluding biological assets, investment properties, inventory, and deferred tax assets) to determine if there are any indicators of impairment. If so, the Group estimates the recoverable amount of the asset. **An impairment test for goodwill is conducted annually.**

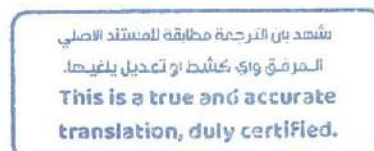
To perform an impairment test for an asset, assets are grouped together into the smallest group of assets that includes the asset and generates cash flows from continuous use that are largely independent of cash inflows from other assets or groups of assets—cash-generating units (CGUs). The goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) or groups of CGUs within the acquiring group that are expected to benefit from the collection operation.

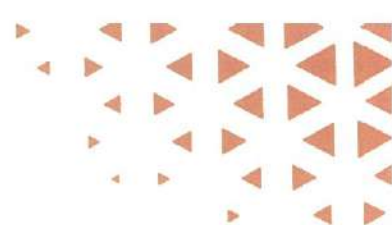
The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its fair value less costs to sell or its value in use. The value in use of an asset is the present value of the expected future cash flows discounted at a pre-tax discount rate that reflects current market estimates of the time value of money and the specific risks associated with the asset or CGU.

Impairment losses are recognized if the carrying Value of the asset of the cash generating unit is larger than the recoverable value.

Impairment losses are recognized in the profits or losses statement. It is first allocated to reduce the carrying amount of the goodwill allocated to the cash-generating unit (CGU), then to reduce the carrying amounts of the other assets in the unit proportionally based on the carrying amount of each asset in the unit.

The losses resulting from the impairment of goodwill is not reversed in subsequent periods. For other assets, impairment losses are reversed to the extent that the carrying amount does not exceed the amount that would have been determined (net of depreciation and amortization) if no impairment loss had been recognized, unless the impairment loss for the asset was previously recognized in prior years.





29-15-5 Capital

A. Regular shares

Costs directly attributable to the issuance of common shares and stock options are recognized as a reduction in shareholders' equity.

B. Share Capital Repurchasing

When repurchasing issued share capital, the amount paid for the repurchase, including all direct costs related to the repurchase, is recognized as a change in equity. The repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

C. Profits Dividends

Dividends are recognized as a liability in the year in which the distribution is declared, and upon the approval of the general assembly of the company.

D. Capital Management

The policy of the group board of directors is to maintain strong capital for purpose to keep the trust of investors, debtors, and market as well as meeting the activity future developments.

The group's board of directors monitors the return on equity, which is defined as the net profit for the year divided by shareholder's rights. Additionally, the board oversees the level of Group's dividends distributed to shareholders.

There have been no changes in the group's strategy for managing capital during the year. The group does not subject to any external requirements imposed on its capital.

29-16 Reserves

Legal Reserves

In accordance with the Companies Law and the company's Articles of Association, at least 5% of the annual net profit is allocated to form the legal reserve. Conversion to legal reserves is ceased when the reserves reaches 100 % of issued capital.

Statutory reserves

- In accordance with the Group's Articles of Association, at least 5% of the annual net profit is allocated to form the statutory reserve. Conversion to statutory reserves is ceased, when the reserves reaches 100 % of issued capital, the non-distributable reserves, however it may be used to increase capital or reduce losses.
- The reserves is used under resolution of the general assembly upon a proposal from the board of directors in the matters which are for the interest of the group.

29-17 Borrowing

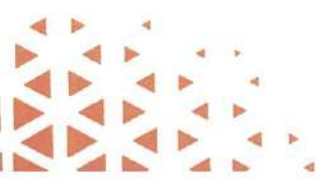
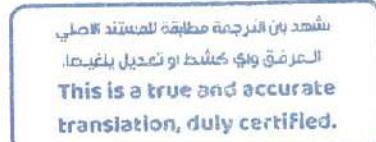
Loans and credit facilities with interest are initially recognized at fair value less related transaction costs. After initial recognition, these loans are subsequently measured at amortized cost, with any difference between the cost and the recoverable amount recognized in the income statement over the term of each loan using the effective interest rate method.

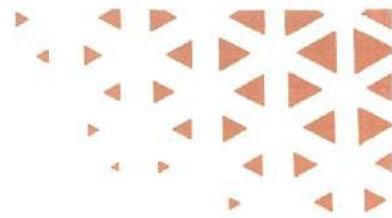
29- 18 Trade and other payables

Trade and other payables are recognized at cost.

29-19 Provisions

The value of provisions is determined by the present value of the expected future cash flows, discounted at a pre-tax discount rate that reflects current market estimates of the time value of money and the specific risks associated with the obligation. The increase in the carrying





amount of a provision resulting from the use of the discount to determine the present value, which reflects the passage of time, is recognized as borrowing cost.

A. Legal claims

The provisions for legal claims are recognized when there are legal claims against the group, and after having the appropriate legal consultations.

B. Other provision

Other provisions are recognized when there are expected claims from other parties with respect to the group's business, as per the latest developments, discussions, and agreements with these parties.

29-20 Revenues:

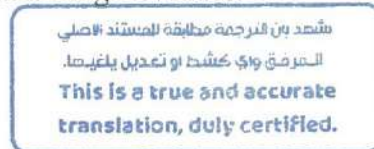
A- Sold goods and provided services

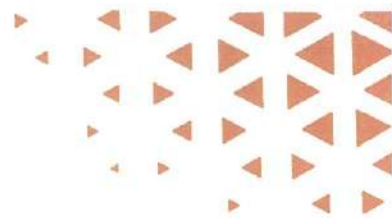
- Revenues Recognition

- Revenues is measured at the principal determined in the contract with the claim, excluding the collected amounts on behalf of third party. The company recognizes revenues when the control on a product or service is transferred to clients. The principles provided in the Egyptian Accounting Standards No. 48 is applied by using the following five steps:
- **First Step:** The company calculates the contract with the client in the following cases:
 - o If the contract is approved and complied with by all parties
 - o If the rights of each party is determined.
 - o If the payment conditions are defined.
 - o If the contract is commercially guaranteed.
 - o If the contract is collectible .
- **Second Step:** The company determines all the goods or services agreed upon in the contract and assesses whether each agreed-upon good or service will be accounted for as a separate performance obligation. The good or service is deemed distinguished and can be separated from other liabilities in the contract if:
- The client can benefit from the good or service separately or with other resources which are easily available for the client.
- The good or service is determined separately from the goods or services provided in the contract.
- **Third step:** The company determines the transaction price, which is the amount paid in return for transporting goods or providing the agreed services to one of the clients.
- **Fourth Step** The transaction price is allocated to each separate performance obligation based on the standalone selling price of the goods or services provided to the customer.
- **Fifth Step** Revenues are recognized when the control on goods or services are moved to client. The company transfers the good or service when the customer get the control on the good or service. The customer get the control on good or service if he is able to use thereof for benefit.

B) Interest Revenues

Interest revenues are recognized by using actual revenues method. Interest revenues is included in the profits or losses statement among financing Revenues.





C. Investment Revenues

Revenue from financial investments is recognized to the extent of dividends received by the group from the invested companies, which are earned after the acquisition date. This recognition begins from the date of the dividend distribution decision made by the general assemblies of the invested companies that approved the dividend distribution.

D- Employees profit share

As per the Articles of Association, the employees shall have profit shares as decided to be distributed in case with not less than 10 %, provided that it shall not exceed the total annual salaries of groups' employees. The employees' share in profits is recognized as a dividend distribution in the statement of changes in equity and as a liability during the financial year in which the group's shareholders approve this distribution. The liability for employees profit share is not recognized with respect to the undistributed profits.

29-21 Expenditures

All operating expenses, including administrative and general expenses, as well as selling and distribution expenses, are recognized in the income statement in accordance with the accrual basis in the financial year in which those expenses are incurred.

A. Rentals Payment

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

B. Benefits of Employees

Subscription benefits system liabilities are recognized as expenses at providing the relevant service.

Prepaid subscriptions are recognized as an asset to the extent that the advance payment results in a reduction of future payments or a cash refund.

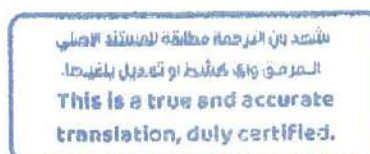
The group contributes to the government social insurance system on behalf of its employees in accordance with Social Insurance Law No. 79 of 1975. Under this law, employees and employers contribute to the system at a fixed percentage of wages. The group's liability is limited to the amount of its participation, and it shall be charged to the statement of profits or losses as per accrual basis.

C. Income Taxes

Current and deferred tax are recognized as income or expense in the profit or loss for the year, except in cases where the tax arises from a transaction or event that is recognized—either in the same period or a different period—outside profit or loss, whether in other comprehensive income, directly in equity, or in a business combination.

1- Current Income Tax

Current taxes for the current and previous years that have not yet been paid are recognized as a liability. However, if the taxes already paid for the current and previous years exceed the amount due for those years, the excess is recognized as an asset. Current tax liabilities (assets) for the current and previous years are measured at the amount expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that are enacted or substantively enacted by the end of the financial year. Dividends are subject to taxation as part of the current tax. Tax assets and liabilities are not offset unless certain conditions are met.



2- Deferred Taxes

"Deferred tax is recognized for temporary differences between the carrying amount of assets and liabilities and their tax base." Except the following:

- Initial recognition of goodwill.
- Or initial recognition of the operation asset or liability which is
 - (1) Not business combination
 - (2) Neither affect the accounting Profit nor tax profit (tax loss).
- Temporary differences related to investments in subsidiaries, associates, and joint ventures are recognized to the extent that it is possible to control the timing of the reversal of those temporary differences, and it is likely that such differences will not be reversed in the foreseeable future.

Deferred tax assets arising from carrying forward tax losses, unused tax credits, and deductible temporary differences are recognized when it is probable that taxable profits will be available in the future against which these assets can be utilized. The future taxable profit is determined based on the future business plan of each company within the group. The position of unrecognized deferred tax assets is reassessed at the end of each financial period, and deferred tax assets that were not previously recognized are recognized to the extent that it becomes probable that future taxable profits will be available to absorb the deferred tax asset.

Deferred tax is measured using the tax rates that are expected to apply when the temporary differences are realized.

When measuring deferred tax at the end of the financial year, the tax effects of actions taken by the group to recover or settle the carrying amount of its assets and liabilities are taken into account.

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

29- 22 Cash Flows Statement

Cash Flows Statement is prepared as per indirect method.

29-23 Instruments

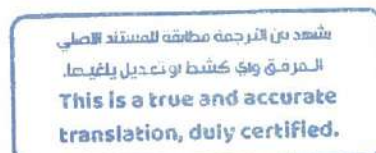
The Group classifies its non-derivative financial assets into the following categories: The company's financial assets include those classified at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets

The Group classifies its non-derivative financial liabilities into the following categories: Financial liabilities classified at their fair value through profits or losses and other financial liabilities.

A. Non-derived financial liabilities and assets, recognition and de-recognition

The group initially recognizes loans, receivables, and issued debt instruments on the date they originate. All other financial assets and financial liabilities are initially recognized on the transaction date when the group becomes a party to the contractual provisions of the financial instrument.

The Group de-recognizes a financial asset when the contractual right to receive cash flows from the financial asset expires, or when it has transferred the contractual right to receive the cash flows of the financial asset in a transaction where it has transferred substantially all the



risks and rewards of ownership of the financial asset. Or if the group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset and has not retained control over the transferred asset, the group will only recognize as an asset or liability the result of the rights or obligations arising or retained upon transfer.

The group derecognizes a financial liability when it is extinguished, either through settlement, cancellation, or the expiration of its term as stated in the contract.

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

B. Non-Derivative financial assets - measurement

The assessed financial assets by fair value through the profits or losses.:

A financial asset is classified as measured at fair value through profit or loss if it is classified as held for trading or was initially classified to be measured at fair value through profit or loss. Directly attributable transaction costs incurred in acquiring or issuing the financial asset are recognized immediately in profit or loss when incurred. Financial assets measured at fair value through profit or loss are measured at fair value, and changes in fair value, including any income or dividends, are recognized in profit or loss.

Loans and receivables:

These assets are initially measured at fair value plus directly attributable transaction costs through acquisition or issuance financial asset . After initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets:

These assets are initially measured at fair value plus directly attributable transaction costs through acquisition or issuance financial asset . After initial recognition, they are measured at fair value, and changes in fair value, except for impairment losses and the effects of changes in foreign exchange rates for debt instruments, are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized, the accumulated gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

29-24 Early Retirement Incentive Scheme

The Board of Directors, in its meeting No. 815 on September 2, 2018, approved the planned study for the optional early retirement incentive scheme for 125 employees eligible for early retirement, who are over 50 years of age.

Chief Financial Officer

Accountant / Ayman Ahmed Fayed



Vice chairman and CEO

Eng/ Essam Elbeer ElDabaa

