

Date May 14, 2025
OUT I.D 130 /2025

التاريخ ٢٠٢٥/٥/١٤
صا.ر.ق.م. أ.ث. ٢٠٢٥/١٣٠

Dear/ EGX,,,
Greetings,,,

السادة / البورصة المصرية
تحية طيبة وبعد...

- We enclose herewith the audited standalone and consolidated financial statements of Alexandria mineral oil Company (AMOC) as of March 31, 2025, and its commentary clarifications have been approved by the legal accountant Dr./Abdel Aziz Hegazy and Partners - Dr./Khaled Abdel Aziz Hegazy - Members of Crowe Global – Certified Public Accountants and Consultants the report has been issued and approved by the accountability state authority along with the limited review report issued by them .

- نرفق طية القوائم المالية المستقلة والمجموعة لشركة الاسكندرية للزيت المعدني (اموك) في ٢٠٢٥/٣/٣١ و الايضاحات المتممة لتلك القوائم المالية عن الفترة المنتهية في ٢٠٢٥/٣/٣١ وذلك بعد اعتماده من المحاسب القانوني دكتور / عبد العزيز حجازي وشركاه - دكتور/ خالد عبد العزيز حجازي - اعضاء كروا العالمية محاسبون قانونيون ومستشارون واصدار تقريره و اعتماد الجهاز المركزي للمحاسبات وتقرير الفحص المحدود الصادر عنه.

- Ratify the Audit & governance Committee report for the period ended on 31/3/2025. (Committee Report Attached)

- اعتماد تقرير لجنة المراجعة والحوكمة عن الفترة المنتهية في ٢٠٢٥/٣/٣١ (مرفق).

Yours sincerely,

وتفضلوا سيادتكم بقبول فائق الاحترام



Maged El-Kurdi
CHEM./ Maged El-Kurdi
Chairman and Managing Director

ماجد الكردي
الكيميائي/ ماجد الكردي
رئيس مجلس الإدارة والعضو المنتدب





Dr. A. M. Hegazy & Co.
Dr. Khaled A. Hegazy

Accountants & Consultants
A Member of Crowe Global
8 Bokolos Harnash St., 5th Floor
Dokki, 12311 Giza, Egypt
Tel. 37600319 - 37600320 - 37618310
Fax. 37600468
www.crowe.com

**Auditor's Report on Review of
Interim Standalone Financial Statements
To the Board of Directors of Alexandria Mineral Oils Co. (S.A.E)**

1. Introduction

We have carried out a limited review of the interim standalone financial statements of Alexandria Mineral Oils Co. (S.A.E) represented in the accompanying statement of Financial Position as of March 31st, 2025, and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the period From July 1, 2024 to March 31st, 2025, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

2. Scope of Limited Review

We conducted our review in accordance with Egyptian Standard on Limited Review Engagements No. 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Basis of a Qualified Conclusion

- 1- The company classified in the statement of standalone financial position on March 31st, 2025 its financial investments in ASPPC Company in the amount of EGP12 million Egyptian pounds as financial investments available for sale. The company's management did not evaluate the above-mentioned investments in accordance with the requirements of Egyptian Accounting Standard No. (47) on Financial Instruments and determining the extent of its impact on the financial statements as of March 31st, 2025, if any.





3. Qualified Conclusion

Except for the effect of any adjustments and the effects of the paragraph of the basis of the above qualified conclusion and based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the standalone financial position of **Alexandria Mineral Oils Co. (S.A.E)** as at March 31st, 2025, and of its financial performance and cash flows for the period then ended in accordance with Egyptian Accounting Standards.

Auditor

A handwritten signature in blue ink, appearing to read "Khaled Hegazy".

Dr. Khaled A.M. Hegazy

Fellow of the Egyptian Society of Accountants & Auditors

Accountants & Auditors Register "AAR" No. 10945

Financial Regulatory Authority Auditors Register "FRAAA" No. 72

Independent Professional Practice - Member of Crowe Global

Dated: May 15 , 2025





Alexandria Mineral Oils Company
(AMOC)
(S.A.E)

Standalone Financial Statements
For the period ended 31 March 2025
Together with the limited review report



Contents

- 1- Limited Review Report.
- 2- Standalone statement of financial position on 31 March 2025.
- 3- Standalone statement of profit or loss for the period 31 March 2025.
- 4- Standalone statement of comprehensive income for the period ended 31 March 2025.
- 5- Standalone statement of changes in equity for the period ended 31 March 2025.
- 6- Standalone statement of cash flows for the period ended 31 March 2025.
- 7- Notes to the standalone financial statements for the period ended 31 March 2025.



Alexandria Mineral Oils Company (AMOC) "S.A.E"
Standalone statement of financial position
As at 31 March 2025



EGP

<u>Assets</u>	<u>Note No.</u>	<u>31-03-2025</u>	<u>30-06-2024</u>
<u>Non-current assets</u>			
Fixed assets (Net)	4	934,149,543	833,941,521
Projects under construction	5	390,226,831	258,128,413
Other Financial investments	12	539,367,000	512,550,000
Investment in Subsidiaries	6	864,500	864,500
Financial investments	7	12,000,000	12,000,000
Right of use assets	8-1	6,834,168	6,599,287
Total non-current assets		1,883,442,042	1,624,083,721
<u>Current assets</u>			
Inventory (net)	9	3,023,300,696	1,880,332,956
Accounts receivable (net)	10	1,373,568,553	1,426,917,102
Debtors and other debit balances (net)	11	476,057,325	598,928,912
Cash at banks and on hand (net)	12	1,591,723,027	2,117,961,700
Total current assets		6,464,589,601	6,024,140,670
Total assets		8,348,031,643	7,648,224,391
<u>Equity</u>			
Issued and paid up capital	13	1,291,500,000	1,291,500,000
Legal reserve	14	645,750,000	645,750,000
Other reserves	14	1,444,391,872	440,778,524
Retained earnings		-	827,853,952
Profit for the period (year)		1,156,601,838	1,275,204,884
Total equity		4,538,243,710	4,481,087,360
<u>Non-current liabilities</u>			
Long term lease liabilities	8-2	4,914,542	3,402,085
Deferred tax liability	16	115,750,947	119,724,760
National Bank of Egypt loan (pledged by time deposit)	20	32,654,655	31,139,885
Total non-current liability		153,320,144	154,266,730
<u>Current liability</u>			
Due to tax authority	18	262,835,581	568,316,500
Short term lease liability	8-2	2,561,546	2,429,315
National Bank of Egypt loan due	20	2,682,569	10,232,552
Creditors and other credit balances	19	2,234,202,356	1,262,048,257
Provisions	17	1,154,185,737	1,169,843,677
Total current liabilities		3,656,467,789	3,012,870,301
Total equity and liabilities		8,348,031,643	7,648,224,391

The accompanying notes are an integral part of these financial statements and to be read therewith.
 United review report attached

General Manager of Financial Affairs
 Acc./ Mohamed Gomaa

Vice President for Financial Affairs
 Dr. Acc./ Ahmed Kandil

Chairman and Managing Director
 Chemist/ Haged El Kordy

Alexandria Mineral Oils Company (AMOC) "S.A.E"

Standalone statement of profit or loss

For the period ended 31 March 2025



Description	Note No.	For the Nine months ended	For the Nine months ended
		31-03-2025	31-03-2024
Net Sales	21	27,866,476,394	22,515,647,580
Cost of sales	23	(26,604,932,416)	(21,218,641,780)
Gross profit		1,261,543,978	1,297,005,800
<u>(Deduct):</u>			
General and administrative expenses	24	(625,769,894)	(528,584,988)
Marketing and selling expenses	25	(37,357,658)	(32,768,670)
Other expenses	26	(1,370,000)	(1,347,845)
Operating profit		597,046,426	734,304,297
<u>(Deduct):</u>			
Formed provisions		(182,000,000)	-
Expected credit losses		-	(11,806,604)
Finance expenses		(2,997,207)	-
<u>Add:</u>			
Other revenues	22	585,659,387	236,957,574
Revenue from investments		417,755,000	269,996,921
Net profit before tax		1,415,463,606	1,229,452,188
Income tax	18-1	(262,835,581)	(247,975,686)
Deferred tax	16	3,973,813	1,881,754
Net profit after tax	27	1,156,601,838	983,358,256
Earning per share (pound/share)	27	0.90	0.76

The accompanying notes are an integral part of these financial statements and to be read

General Manager of Financial Affairs
Acc./ Mohamed Genaa

Vice President for Financial Affairs
Dr. Acc./ Ahmed Kandil

Chairman and Managing Director
Chemist/ Mohamed El Kordy

Alexandria Mineral Oils Company (AMOC) "S.A.E"
Standalone statement of other comprehensive income
For the period ended 31 March 2025



	For the Nine months ended 31-03-2025	For the Nine months ended 31-03-2024
Net profit for the period	1,156,601,838	983,358,256
Total other comprehensive income after tax	1,156,601,838	983,358,256
Transferred to Retained earnings	-	-
Total other comprehensive for the period	1,156,601,838	983,358,256

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

General Manager of Financial Affairs
Acc./ Mohamed Gomas

Vice President for Financial Affairs
Dr. Acc./ Ahmed Kandil

Chairman and Managing Director
Chemist/ Maged El Kordy





Alexandria Mineral Oils Company (AMOC) "S.A.E"



Standalone Statement of changes in Equity

For the period ended 31 March 2025

	Capital	Legal reserve	Other reserves	Retained earnings	Profit for the period	Total
Balance as at 1 July 2023	1,291,500,000	899,435,203	370,333,880	331,491,849	1,863,431,004	3,656,162,376
Changes in equity during 2023/2024						
Dividend distribution during 2023/2024	-	-	-	(948,982,303)	(948,982,303)	(948,982,303)
Transferred to retained earnings	-	48,323,737	70,444,094	458,965,225	(116,768,701)	459,955,225
Net profit for the period	-	-	-	983,358,258	983,358,258	983,358,258
Total transactions with shareholders	-	48,323,737	70,444,094	458,965,225	(82,072,748)	459,651,178
Balance as at 31 March 2024	1,291,500,000	847,182,269	440,778,524	790,448,774	983,358,258	4,151,853,514
Balance as at 1 July 2024	1,291,500,000	845,793,880	443,778,824	827,853,852	1,275,204,884	4,481,017,350
Changes in equity during 2024/2025						
Transferred to retained earnings	-	-	-	1,275,204,884	(1,275,204,884)	-
Shareholders dividend distribution	-	-	-	(1,093,445,488)	(1,093,445,488)	(1,093,445,488)
Transferred to reserve	-	-	1,003,813,348	(1,003,813,348)	-	-
Net profit for the period	-	-	-	-	1,156,807,336	1,156,807,336
Total transactions with shareholders	-	-	1,003,813,348	(827,853,852)	(118,601,048)	57,156,352
Balance as at 31 March 2025	1,291,500,000	845,793,880	1,444,391,872	-	1,156,807,336	4,538,243,710

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





General Manager of Financial Affairs
 Acc./ Mohamed Gomaa

Vice President for Financial Affairs
 Dr. Ali/ Ahmed Kandil

Chairman and Managing Director
 Chemist/ Nagad El Kady

Alexandria Mineral Oils Company (AMOC) "S.A.E"

Stand alone statement of cash flow

For the period ended 31 March 2025



	31-03-2015	31-03-2014
Cash flows from operating activities		
Net profit before tax and non-ordinary items	1,415,463,606	1,229,452,188
Adjustments:		
Fixed asset depreciation and right of use amortization	93,448,712	72,491,347
Finance lease	-	-
Foreign exchange differences	(70,719,321)	-
Debit interest	3,759,965	573,571
Credit interest	(274,514,558)	(208,554,889)
Revenue from financial investments	(417,755,000)	(269,996,921)
Formed provisions	182,000,000	-
Reversed expected credit losses	-	9,152,709
Reversed expected credit losses	(197,657,941)	(16,405,125)
Provisions no longer required	(8,301,732)	-
Operating profit before change in working capital	725,723,731	816,702,880
Change in inventory	(1,142,967,740)	(981,748,543)
Change in accounts receivables, debtors, and other debt balances	170,089,660	72,338,920
Change in accounts payables, creditors, and other credit balances	972,154,099	464,415,456
Cash flow from operating activities	724,999,750	371,708,723
Paid income tax	(568,316,500)	(465,641,504)
Net cash flows (used in) resulting from operating activities	156,683,250	(93,932,781)
Cash flows from investing activities		
Collected revenue from financial investment	417,755,000	269,996,921
Change in other financial investments	(26,817,000)	283,707,550
Collected interest	289,705,034	202,117,986
Payments for projects under construction and fixed assets	(322,545,413)	(117,405,086)
Net cash flows resulting from investing activities	349,097,621	638,417,371
Cash flows from financing activities		
Proceeds from long term loans	(6,035,213)	8,863,749
Lease payments	(2,562,689)	(4,285,784)
Paid finance expenses	(2,997,207)	(573,571)
Paid cash dividends	(1,099,445,488)	(948,662,303)
Net cash flows (used in) financing activities	(1,111,040,597)	(944,658,909)
Net change in cash and cash equivalents	(605,259,726)	(400,174,319)
The effect of change in exchange rates on cash and cash equivalents	70,719,321	592,200,289
Reversed/(formed) expected credit losses	8,301,732	(9,152,709)
Beginning cash and cash equivalents	2,117,961,700	1,917,534,430
Cash and cash equivalents as at 31/03/2025	1,591,723,027	2,100,407,691

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

General Manager of Financial Affairs
Act./ Mohamed Gossas

Vice President for Financial Affairs
Dr. Act./ Ahmed Kevell

Chairman and Managing Director
Chairman/ Mohamed El Nady



1. About the company:

Establishment:

- Alexandria Mineral Oils Co. (AMOC) - an Egyptian joint stock company - was established in 1997 according to the Minister of Economy and International Cooperation Decree No. 306. The company is subject to the provisions of investment Law No. 72 of 2017.
- The company was registered in Commercial Register under No. 143507 on 6 May 1997.
- The number of shares is 1.2915 billion shares, with a nominal value of one EGP per share.

Company Purpose:

- Production of neutral and special mineral oils.
- Production of paraffin wax and its derivatives.
- Maximization of Gas Oil with low Sulphur and low pour point.
- Production of wax distillates with different grades.
- Production of Naphtha.
- Production of liquified petroleum gas (LPG).
- Production of Mazut.
- Marketing of the products locally and internationally.
- Oil loading and blending to the benefit of others.
- Crude Oil refining to the benefit of AMOC or Other Companies.
- Production of Gasoline and Diesel.
- Importing, exporting, marketing, selling, and trading its products, other petroleum products, and their supplies both domestically and internationally under its trade name and trademark, or without them, as well as leasing warehouses.



Company term:

- The term specified for this company is twenty-five years, starting from the date of registration in the Commercial Register in May 1997 and ending in May 2022, and in December 2017 an entry was made in the Commercial Register to extend the term of the company for another twenty-five years, starting from the date of the end of the first term and ending in May 2047.

2. Basis for preparation of financial statements:

The financial statements are prepared in Egyptian pounds, which is the functional currency of the company, and are based on the going concern assumption and the historical cost principle. Exceptions are made for assets that are measured at fair value or amortized cost, with gains or losses recognized in the profit or loss statement. The same accounting policies and principles applied in the previous financial statements have been consistently followed.

The accounting policies applied this year are consistent with those applied in the previous year, except for the changes that resulted from the application of the new Egyptian standards issued during 2019. The company also implemented these standards starting in January 2021 .

2-1 Functional and presentation currency:

The financial statements have been presented in Egyptian Pound which represents the Company's functional currency, and all financial information presented are in EGP.

2-2 Use of estimates and personal judgment:

The preparation of the financial statements in accordance with Egyptian accounting standards requires

management to use personal judgment and to make estimates and assumptions that may affect the application of policies, values of assets and liabilities, as well as revenues and expenses. These estimates and assumptions are based on historical experience and other factors that the Company's management considers reasonable under the circumstances and events in which the carrying amounts of the assets and liabilities are determined and the actual results may differ from those estimates.

These estimates and assumptions are reviewed on an ongoing basis and any differences that affect the period in which the change is made and the future periods are recognized. These differences are recognized in the period in which they are adjusted and in future periods.

The following are the main items used for these estimates and personal judgment:

- Provision for anticipated claims and contingent liabilities.
- Measurement of the impairment in asset values.
- Recognition of deferred tax.
- Accrued expenses.
- Useful lives of fixed assets.

3- Significant accounting policies applied:

3-1 Foreign currency valuation:

The Company maintains its books in Egyptian pound; transactions in foreign currencies are recognized at the exchange rates at the date of the transactions. Monetary assets and liabilities balances denominated in foreign currencies are revalued at the end of the period in accordance with the prevailing exchange rates and the resulting differences of transactions and revaluation included in the income statement.

Non-monetary assets and liabilities measured at historical cost are translated using the exchange rates at the date of the initial recognition. Non-monetary assets and liabilities that are measured at the fair-value are translated using the exchange rates at the date on which the fair-value was determined.

3-2 Fixed assets and their depreciation:

1-2-3 Initial recognition and measurement:

Fixed assets are stated according to the historical cost after deducting the accumulated depreciation and impairment loss. This cost includes the cost of replacing part of the fixed assets after recognition conditions are met.

Components of an item of fixed assets which have different useful lives are accounted independently as separate items within those fixed assets, similarly when major improvements are made; their costs are recognized in the carrying amount of the fixed assets as a replacement if the recognition conditions are met. All other repair and maintenance costs are recognized in the income statement when incurred. The asset is depreciated when its place and condition enable it to operate in the manner specified by the management. Depreciation is calculated using the straight-line method according to the assets estimated useful life as follows:

Item	Estimated Useful Life (yearly)
Machinery, equipment and devices	10-30
Buildings, constructions and utilities	10-30
Vehicles	5-15
Tools and equipment	5-10
Furniture, fixtures and computers	4-10

Fixed assets are disposed when discarded or when no future economic benefits are expected from their use or future sale (disposing does not only mean selling the asset but also stating the asset as scrap). Any profits or losses arising from disposing the asset are recognized in the profit or loss statement in the period in which the asset is disposed.



The remaining values of assets, their useful lives and depreciation methods are reviewed at the end of each financial year. At the date of each balance sheet, the Company determines whether there is an indication that a fixed asset has been impaired. When the carrying amount of the asset exceeds its recoverable amount, it is considered impaired and is subsequently reduced to its recoverable amount; the impairment loss is recognized in the profit or loss statement. The impairment loss is derecognized only if there is a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized. Derecognizing the loss from impairment is limited so as not to exceed the carrying amount of the asset, its recoverable amount and non-exceeding the carrying amount that would have been determined (Net after depreciation) unless the impairment loss is recognized for the asset in prior years. The de-recognition of a loss from impairment is recognized in the profit or loss statement.

3-2-2 Subsequent costs of acquisition:

The cost of a component of the asset is recognized in the cost of the asset, excluding the cost of the replaced component, when the Company incurs the cost of replacement and provided that future economic benefits are probable to flow to the Company as a result of the replacement of the component and can be measured with a high degree of accuracy. Otherwise, all other expenses are charged to the statement of income as an expense when incurred.

3-3 Long term financial investments:

A-Investments in subsidiaries:

- Investments in subsidiaries are investment in companies that AMOC control. Control is assumed when the holding company owns, whether directly or indirectly through its subsidiaries, more than half of the voting rights in the invested company, except for those exceptional cases in which it appears clearly that such ownership does not represent control.
- Investments in subsidiaries are accounted for in the financial statements at cost, including the cost of acquisition. In the event of an impairment in the value of these investments, the book value is adjusted to the value of this impairment and is included in the income statement for each investment separately. The loss resulting from the impairment of value may not be recovered in the profit and loss statement in the period in which the reversal occurred.

B- Financial investment held for sale:

- Investment available for sale are non-derivative financial assets that are classified as assets available for sale upon acquisition and are not classified as loans and receivables, as investments held to maturity, or as investments at fair value through profit or loss.
- Upon initial recognition, investments held for sale are measured at fair value, including direct related expenses.
- Upon initial recognition, investments available for sale are measured at fair value, with recognition of unrealized gains or losses directly within owners' equity and that until cancellation of financial asset from books. The cumulative gains or losses recorded in equity are then recognized in profit or loss or it is determined to conduct the impairment of value process, and in this case, the accumulated losses recorded in equity are recognized in the profit or loss statement.



3-4 Lease contracts:

- The contract is a lease contract if it conveys the right to control the use of a specific asset of the company for a period in exchange for consideration.
- Lease payments in short-term lease contracts are recognized as an expense using the straight-line method.
- The asset (right of use) and the liability of the lease contract are recognized on the date of the beginning of the contract.

***Initial Measurement (of the right of use):**

- At the beginning of the lease contract, the asset (right of use) is measured at cost, and the cost consists of:
 - The amount of the initial measurement of the lease liability
 - Any payments made at or before the commencement of the lease less any lease incentives received.
 - Any initial direct costs incurred by the company.
 - Any estimated cost that the company will incur to dismantle or remove the asset or restore the site to the original condition in accordance with the terms of the lease contract.

***Subsequent measurement of (right of use):**

The right of use asset at any date after the commencement date are measured by applying the historical cost model:

- The asset's initial recognition cost less accumulated amortization. The right of use asset is amortized from the commencement date to the end of the useful life of the asset or the end of the lease contract period whichever is less.
- Impairment losses.
- Adjusted for any re-measurement of the lease liability.

Initial measurement of the lease liability:

- At the inception date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date calculated using the interest rate on the company's incremental borrowing at the time

***Subsequent measurement of lease liability :**

- After the lease commencement date, the lease liability is measured as follows:
 - Increase the carrying amount to reflect the interest on the lease liability.
 - Reduce the book amount to reflect the lease payments.
 - Remeasurement of the carrying amount to reflect any revaluations or modifications to the specified lease.
- Right of use assets are presented in the statement of financial position separately from the other assets.
- Lease liabilities are presented in the statement of financial position separately from other liabilities .
- The interest expense on the lease contract obligation is presented in the profit or loss statement separately from the depreciation expense of the asset (right of use), and the interest expense is presented under (financing expenses).

In the statement of cash flows:

- The principal repayments of the lease liability are presented within financing activities.
- The lease liability interest paid are shown within operating activities.
- Short term lease payments are presented within operating activities.

3-5 Inventory valuation:

Ending inventory is valued based on cost or net realizable value, whichever is lower, using the following methods:

- Raw Material: Inventory cost was calculated based on the weighted average purchase price of raw materials during the period.
- Equipment and spare parts: The cost of equipment and spare parts has been calculated based on the weighted average cost during the year.
- Work in process inventory: valued at weighted average production and operating costs and any other required costs.
- Finished goods: valued at cost or net realizable value, whichever is lower, for each item separately.

3-6 Accounts receivable and other receivable balances:

The accounts receivable are evaluated at their cost, with any impairment in value deducted, if applicable. The accounts receivable represents the outstanding balance of installments due from customers up to the current date, less any impairment recognized in accordance with the company's provision policy for doubtful debts.

The provision calculation rate	Account receivable aging
1%	0-30 day
5%	31-60 day
20%	61-90 day
35%	91-120 day
50%	121-180 day
70%	181-365 day

3-7 Borrowing Cost:

Borrowing costs are recognized as an expense in the period the Company incurred these costs using the effective interest rate. As for borrowing costs directly attributable to purchasing or constructing qualifying assets, borrowing costs are capitalized on related assets till the date that these assets are ready for use. Capitalization is discontinued during periods of temporary cessation of the construction of this asset, and capitalization is finally stopped when all essential activities necessary to prepare the asset for use have been completed.

3-8- Statement of Cash Flows:

Statement of cash flows is prepared according to the indirect method. Cash and cash equivalents are the cash on hand, banks, time deposits and financial investments not exceeding three months after deducting credit bank balances.

3-9- Contingent liabilities:

The company's policy is to assess the legal, tax liabilities and claims against the company in accordance with the provisions of the law, in the case of disagreement with the other parties in the settlement of such obligations in friendly manner, the judiciary shall be referred for adjudication. Contingent liabilities are claims against the company, cases against the company and the uncovered portion of letters of guarantee. The management considers that there are no possible Contingent financial obligations arise from these cases and claims that can affect the financial statements (other than the ones on which provisions are made).



3-10 Accounts payable, creditors, and other credit balances:

Amounts that will be paid in the future on received supplies or services during the period are recognized regardless whether the suppliers or service providers asked for a consideration.

3-11- Provisions:

Provisions are recognized when the company has present legal or constructive liabilities as a result of a past event and it is expected to require an outflow of economic resources to settle these liabilities, through estimating a possible liabilities amount. Provisions are reviewed at the balance sheet date and adjusted to reflect the best current estimate. When the time value of money is significant, the amount recognized as a provision should be the current value of the expected cash flow required to settle the liabilities.

3-12 Projects under construction:

The payments that are spent on the purchase of fixed assets are recorded in the projects under construction account (advances for vendor assets) at cost and during the period of developing the fixed asset it is transferred to the projects under construction account (assets in development) and when the fixed asset becomes available for use it is added to the fixed assets and its depreciation begins.

3-13 Taxes:

Income tax is calculated on the profits made in accordance with the laws, regulations, and instructions in force in this regard, using the applicable tax rates at the date of preparing the financial position, and the income tax due is recorded in the Deferred tax arises from the presence of some temporary differences due to the difference in the time period in which the value of assets and liabilities is recognized between each of the applicable tax bases and the accounting bases according to which the financial statements are prepared. The deferred tax value is determined according to the method used, on the basis of which the current value of assets and liabilities are settled. Deferred tax is taken into account as an asset for the company when there is a strong possibility to use this asset to reduce the tax profits due on the company for future years, and the deferred tax value listed as an asset is reduced by the value of the part that does not achieve an expected tax benefit in the subsequent years.

3-14 Revenue:

-The company applied the Egyptian accounting standard No.48 "contract with customers" starting from 1 January 2021. Information was provided on accounting policies in contracts with customers, and the impact of that application on the financial statements was clarified.

- Revenue for executing an operation involving the provision of a service is recognized when its results can be estimated with sufficient accuracy, to the extent that the transaction has been completed up to the date of the financial statements. The results of executing a particular operation can be estimated accurately if the following five conditions are met:

- 1- Define the contract with the customer
- 2- Determine the performance obligation that is considered to be the management of portfolios or funds for the account of clients.
- 3- Determine the transaction price for each performance obligation.
- 4- Allocate the transaction price for each performance obligation.
- 5- Revenue is recognized when the entity satisfies a performance obligation.



Therefore, revenue is recognized as follows:

- The commission for managing portfolios of securities for the account of clients is agreed upon at specified rates according to each of the management contracts. It is calculated based on the market value of the portfolio and is paid according to the terms of each contract.
- The performance incentive commission is calculated based on a percentage of the increase in the portfolio above the benchmark return than that specified in the contract.
- Dividend income is recognized in the profit or loss statement when the company has the right to receive dividends from investee companies realized after the date of acquisition.
- Credit interest is recognized on a time basis using the target rate of return on the asset.

3-15- Impairment:

3-15-1 Impairment of non-financial assets:

Asset values are evaluated at each balance sheet date to determine whether there is any indicator of impairment in asset values, and in case such an indicator exists, the recoverable amount of the asset is determined which is represented in its value in use or net realizable value whichever is higher, then the recoverable value is compared with the book value of the asset and impairment losses when the book value is greater than the recoverable value is recognized in the statement of profit or loss. In case the recoverable value of the asset is increased as a result of a future event the impairment loss is reversed in the profit or loss to the extent of what was recognized during the previous financial periods so that no increase in the asset value exceeds its book value before impairment.

3-15-2 Impairment of assets at amortized cost:

Asset values are evaluated at each balance sheet date to determine whether there is any indicator of impairment in specific assets, and in case such an indicator of impairment in a specific asset exists, the impairment value is determined based on the difference between the book value of the asset and the present value of the expected future cash flows. Expected impairment losses in other debts based on the default rates according to previous experience taking into account the period between the indication of default and the determination of its losses effectively. In case of an increase in the asset value as a result of a future event the impairment in the asset value is reversed in the statement of profit or loss.

3-16-Social policies

In order to carry out the company's social and community responsibility and the company's belief in its role in advancing the societies and their welfare for a better future and out of interest in social responsibility, the Company participates in many activities in support of development.

Environmental Responsibility

- The company has studied alternative sources to decrease fresh water consumption used to compensate cooling towers as well as water treatment units for boilers. The project of ZERO LIQUID DISCHARGE (Z.L.D) has started which aims at reducing the company's water consumptions to the lowest possible value and re-using them once again in the industry after being treated as an alternative to fresh water.
- The company is reevaluating the environmental impact of all - projects-, in addition to the implementation of processing units with the latest international technologies such as the industrial water unit DAF, biological wastewater treatment unit and the treatment unit of gas and water acid bacteria THIOPAQ.



- The company performs periodic emission measurements every 3 months to measure noise, thermal stress and gas emissions. Beside it monitors and analyzes discharged water.
- Hazardous waste is disposed by the sanitary landfill of the Alexandria Governorate to preserve the surrounding environment of the company. A contract with the Mouwasat Hospital was made to use its own incinerator for the disposal of medical waste.
- The company has carried out the necessary studies and implementations to modify the vapor ratio of the flame torch reach the boundary limits of burning gases emissions in accordance with Law 4 of 1994 which is amended in Law No. 1095 of 2011.
- A committee was formed from various departments in the company to study the possibility of installing a self-monitoring system for flue emissions in order to comply with the amended law.
- The company has implemented the surface sewage system for rain water and connected it to the city sewage system in order to comply with the requirements of the environmental law.

-Occupational health and safety responsibility:

- The company shows a great interest in occupational health and safety in addition to the environmental protection against pollution as this field has an effective role in preserving human resources which are considered the most important pillars of the production process along with the application of the requirements of Egyptian law, international laws and codes in accordance with the applicable laws and regulations in Egypt.
- As part of the company's diligence to apply the latest quality standards in the global industry to increase competitiveness locally and internationally; quality management, environmental, occupational health and safety systems have been updated so that the integrated quality management system is an essential pillar within the company in the world of modern industry. Therefore, in 2005, the company started the needed preparations for many years and is working towards the evolution of integrated management systems with continuous development of the quality system
- In July 2006, the company obtained technical conformity certificates according to international standards ISO 9001:2000 which is related to quality management, 14001:2004 as well as environmental management systems, OHSAS 18001 which is related to occupational health and safety management systems which are to be applied to all activities of the company. The company has successfully passed the renewal reviews three times in a row, in August 2009, August 2012 and June 2015, thus, the effectiveness of the certificate will carry on until August 2018.
- The company on August 2017 applied the latest version of international specification For quality and environmental systems IOS 14001:2015 and IOS 9001:20015 Within the framework of the renewal and modernization of the company's total quality management systems, the AMOC team is preparing to implement the latest version of the international standards for occupational safety and health systems ISO 45001.
- The company supports its employees by contracting with specialized medical centers and it allows them to follow up periodically to maintain their energy and health, thus reducing the disruption of work due to sick leaves.



3-17 ESG index:

- In this respect, the Egyptian government has a pioneer role in launching the ESG Index in Egypt, encouraging companies to demonstrate greater transparency and disclosure of their compliance practices through the following:
 - Governance principles.
 - Social responsibility.
 - Environmental responsibility.
- This index is based on both quantitative and qualitative factors, and during this process these environmental and social factors and governance practices are converted to a series of grades that determine the value of stocks traded on the stock exchange. The share of Alexandria Mineral Oils Company (AMOC) was listed among all the Egyptian stock indexes, headed by the index GX20.

3-18 Earnings per share:

Basic and diluted earnings per share are calculated as the profit or loss divided by the weighted average number of ordinary shares outstanding during the period.

3-19 financial assets:

3-19-1 Initial recognition and measurement:

Upon initial recognition, financial assets are classified according to the business model in which those financial assets are managed and their contractual cash flows, according to one of the following categories:

- 1- Debt instruments at amortized cost.
- 2- Debt instruments at fair value through other comprehensive income "with the reclassification of profits or losses to the statement of profits or losses upon disposal."
- 3- Equity instruments at fair value through other comprehensive income, "with no reclassification of profits or losses to the statement of profits or losses upon disposal."
- 4- Financial assets at fair value through profits and losses, including equity instruments and derivatives.

3-19-1-1 Debt instruments at amortized cost:

A financial asset is measured at amortized cost if it meets the following two conditions, and it is not measured at fair value through profit or loss:

- The asset is kept within a business model that aims to retain assets to collect contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows on specific dates, and they are only payments of principal and interest on the principal amount due.

3-19-1-2 debt instruments at fair value through other comprehensive income:

Debt instruments are measured at fair value through other comprehensive income "with profits or losses reclassified to profit or loss upon disposal" only if the following two conditions are met and are not measured at fair value through profit or loss:

- The asset is kept within a business model whose objective is achieved by collecting contractual cash payments and selling financial assets,
- The contractual terms of the financial assets give rise to cash flows on specific dates, which are only payments of principal and interest on the principal amount due.



3-19-1-3 debt instruments at fair value through other comprehensive income:

Upon initial recognition of investment in shares not held for trading, the company may choose "irrevocably" to measure subsequent changes in the fair value within the items of other comprehensive income "with no reclassification of profits or losses to the statement of profits or losses upon disposal". This selective procedure is made on an investment-by-investment basis.

3-19-1-4 Financial assets at fair value through profit or loss:

All other financial assets are classified as designated at fair value through profit or loss.

In addition, on initial recognition, the company may "irrevocably" designate a financial asset that meets the requirements to be measured at amortized cost or at FVTOCI, as at FVTPL, if this will eliminate or significantly reduce accounting mismatches that might otherwise arise.

3-19-4 Subsequent measurement:

3-19-4-1 Debt instruments at amortized cost:

After initial measurement, debt instruments are measured at amortized cost using the effective interest rate method, less provision for impairment. The amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Expected credit losses are recognized in the statement of profit or loss when the value of the investments is impaired.

3-19-4-2 Debt instruments at fair value through other comprehensive income:

- Debt instruments at fair value through other comprehensive income are subsequently measured at fair value with profits and losses recorded arising from changes in fair value in other comprehensive income. Interest income and currency exchange gains and losses are recognized in the statement of profit or loss in the same way as for financial assets measured at amortized cost as described in Note (1-20-1-1).
- The method for calculating expected credit losses for debt instruments at fair value through other comprehensive income is explained in Note (3-19-1-3).
- When the company owns more than one investment in the same security, it is considered to have been disposed of on a first-in, first-out basis. On disposal, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to the statement of profit or loss.

3-19-4-3 Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value. Changes in the fair value are recognized in the statement of profit or loss. The interest earned on the assets required to be measured obligatorily at fair value is also recognized in the statement of profit or loss using the contractual interest rate, as shown in Note (3-25-1-4).

Dividend income from equity instruments measured at fair value through profit or loss is recorded in the statement of profit or loss as other operating revenue when the right to payment is established.

3-19-5 Reclassification of financial assets:

The company does not reclassify its financial assets after their initial recognition.

3-19-3 Derecognition of the financial asset:

3-19-6-1 Derecognition other than a substantial modification:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The right to receive cash flows from the asset has expired, or



- The company transferred its right to receive cash flows from the asset or assumed an obligation to pay the cash flows received in full without material delay to a third party under a "passage" arrangement in addition to:
 - A) The company has substantially transferred all risks and benefits associated with the asset; or
 - B) The company did not substantially transfer or retain all risks and benefits associated with the asset, but transferred control of the asset.

The company considers that the control has been transferred if, and only if, the transferee has the practical ability to sell the asset in full to an unrelated third party and is able to exercise this capability unilaterally and without further restrictions on the transfer.

When the Company does not substantially transfer or retain all risks and rewards and retains control of the asset, the asset continues to be recognized only within the limits of the Company's ongoing engagement, in which case the Company also recognizes the associated obligation. The transferred asset and associated obligations are measured on a basis that reflects the rights and obligations held by the company.

Continuous participation in the form of security on the asset transferred is measured by the original book value of the asset and the maximum amount that the company can be required to pay, whichever is less.

3-19-6-2 Derecognition from the books as a result of a substantial modification of the terms and conditions:

The Company derecognizes the financial asset upon renegotiation of the terms and conditions to the extent that the financial asset largely becomes a new instrument, recognizing the difference as a wind or loss as a result of the asset's derecognition from the books. In the case of expendable cost debt instruments, newly recognized loans are classified as phase I for the purpose of measuring expected credit losses.

In assessing if a financial instrument will be derecognized from the books or not, among other things, the company takes into account the following factors:

- Change in debt instrument currency.
- Introduction of a property rights tool function.
- Expressions at the counterparty.
- The modification is such that the instrument no longer meets the cash flow criterion, which is only an asset payment and interest on the principal amount payable.

If the adjustment does not result in substantially different cash flows, the adjustment does not result in the derecognition from the books, based on an affirmation of the discounted cash flows at the original actual interest rate, the Company shall record a profit or loss of adjustment.

3-19-7 Impairment of financial assets:

The Company recognizes the provision for anticipated credit losses for all debt instruments not held at fair value through profits or losses. Projected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all cash flows expected by the Company, deducted from the effective interest rate.

To assess the extent of impairment of financial assets, financial assets as at the date of the financial statements are classified into three phases:

- Phase I: Financial assets that have not experienced a significant rise in credit risk since the date of initial recognition. In this case the projected 12 months' credit loss is calculated.



- Phase II: financial assets that have experienced a substantial rise in credit risk since initial recognition. In this case the expected credit loss over the asset's lifetime is calculated.

- Phase III: Financial assets whose value has diminished, requiring the calculation of expected credit losses over the life of the asset based on the difference between the instrument's book value and the present value of the expected future cash flows.

The company's investments in debt instruments consist solely of treasury bills, government treasury bonds and bonds classified under the higher investment category (very good and good) by international independent credit agencies, and therefore, are considered low credit risk investments. It is the company's policy to measure expected credit losses on these instruments on a 12-month basis. When the credit risk of any bond deteriorates, the company sells bonds and purchases bonds that meet the required investment level.

The Company considers that the financial asset is defaulted (impaired credit value) when the contractual payments are defaulted on for 90 days or more from the due date. However, in some cases, the Company may also consider that a financial asset has defaulted when internal or external information indicates that the Company is unlikely to receive existing contractual amounts. The financial asset is written off when there is no reasonable expectation of recovery of contractual cash flows.

3-18-8 Measuring expected credit losses for investments in debt instruments:

The company calculates the expected credit losses based on scenarios to measure the expected cash deficit, discounted at the appropriate effective interest rate. The cash shortfall is the difference between the company's cash flows due in accordance with the contract and the cash flows that the enterprise expects to receive, in estimating the expected credit losses, the company takes into account three scenarios (baseline, increasing and decreasing).

The following are the main mechanisms and elements for measuring expected credit losses.

(a) The likelihood of default: an estimate of the likelihood of default within a given period of time. The failure is assessed only if the balance of the financial asset is not derecognized in advance and remains on the financial statements. The potential failure model consists of a future macroeconomic and microeconomic outlook of the portfolio of financial assets.

(b) Loss in case of default: an estimate of the loss arising in case of failure based on the difference between accrued contractual cash flows and those expected by the lender, including cash flows from the sale of a retained guarantee or other credit enhancements.

(c) Balance at risk of default: an estimate of the balance at risk of default at the date of future default at the borrower level, taking into account the projected balance subject to risk of default after the end of the financial period, including interest accrued from missed payments.

The Company classifies its financial assets subject to projected credit loss calculations for one of the following categories, which are defined as follows:

(a) Phase I: expected 12-month credit loss

The low-risk financial instrument is classified upon initial recognition at the first stage and credit risk is continuously monitored by the Company management. Projected 12-month credit losses are calculated as part of projected long-term credit losses that represent expected credit losses resulting from events of defaulting



the instrument. Which is possible within 12 months after the date of their report. The company calculates the projected 12-month credit loss allowance based on a 12-month default forecast after the date of the report. The probability of failure to pay the projected 12 months is applied to the balance subject to failure and multiplied by loss in case of failure and deducted by the effective interest rate. This calculation is made for each of the three scenarios, as shown above. The interest income is calculated on the total book value of the financial asset (without deducting the expected credit losses).

(b) Phase II: Projected lifetime credit loss - while not impairing the value of the credit value:

Phase II involves financial assets with a substantial increase in credit risk since initial recognition, but there is no objective evidence of impairment of values. Projected lifetime credit losses for these assets are recognized, but interest income continues to be calculated on the total book value of the asset. The expected lifetime credit loss is the expected credit loss resulting from all possible failures over the life expectancy of the financial instrument, according to mechanisms similar to those described above, including the use of multiple scenarios, but the probability of failure to pay and loss in case of failure over the life of the asset is estimated. Expected losses are deducted at the effective interest rate.

At the end of each financial period, the Company assesses whether there has been a substantial increase in the credit risk of financial assets since the first recognition. The company uses both quantitative and qualitative information to determine whether there is a significant increase in credit risk based on financial asset characteristics. Quantitative information can be a decrease in credit rating below investment grade. Obtained Qualitative information By observing current or anticipated adverse changes in business, financial or economic conditions that are expected to cause a substantial (negative) change in the debtor's ability to meet its obligations to the company in general, the Company will apply as a delay in payment of more than 30 days beyond the due date as an automatic indicator of a substantial increase in credit risk.

If a significant increase in substantial risk is identified, this will transform all tools in the range held with this party from phase I to phase II.

(c) Phase III: Expected lifetime credit loss - impairment of credit:

Phase III includes financial assets in which there is objective evidence of impairment at the date of the financial statements. For these assets, projected credit losses are recognized over life. Interest income is recognized on the basis of amortized cost reduced by credit losses expected from impairment. For debt instruments considered amortized creditworthiness, the company recognizes the expected lifetime credit losses of these instruments, according to mechanisms similar to those described above, with the probability of failure to pay set at 100%.

The company identifies financial assets for which there is objective evidence of impairment under Egyptian Accounting Standard No. 47 by applying the definition of failure to pay used for credit risk management purposes. The failure to pay is defined as any counterparty unable to meet its obligations (regardless of the amount involved or the number of days owed) or when counterparties have more than 90 days' arrears when applying this definition, the following information may serve as proof that the financial asset is credit-poor:

- breach of contract such as failure or delay in payment
 - borrower is likely to enter into bankruptcy or other financial restructuring,
 - The borrower faces significant financial difficulty due to the disappearance of an active market.
- Upgrade between stages (initial, second, third):



- **a) Upgrading from Phase II to Phase I:**

The financial asset shall not be transferred from Phase II to Phase I until all the quantitative and qualitative elements of Phase I have been met and the arrears of the financial asset and returns have been fully paid.

- **(b) Upgrading from Phase III to Phase II:**

The financial asset shall not be transferred from Phase III to Phase II unless all the following conditions are met:

- Fulfilling all the quantitative and qualitative elements of phase II.
- Payment of 20% of outstanding financial asset balances including avoided/marginalized accrued returns.
- Regular repayment for at least 12 months .

3-19-9 Measurement of expected credit losses:

The company has four types of financial assets that are subject to the expected credit loss model:

- 1) bounced notes resulting from sales contracts with customers,
- 2) Late payment interest of bounced notes.
- 3) The company's investments in debt instruments measured at amortized cost.
- 4) The Company's investments in debt instruments measured at fair value through other comprehensive income.

While cash and cash balances are also subject to impairment requirements in accordance with Egypt's accounting standard No. 47, the impairment losses measured were not material.

Bounced notes and late payment interest of bounced notes:

The company applies Impairment of Financial Assets in accordance with the Egyptian Accounting Standard No. 47 to measure expected credit losses, which uses a provision for projected credit losses over a lifetime for all balances, receivables and debts resulting from the late payment interest of bounced notes. To measure projected credit losses, bounced notes and interest on late payment of bounced notes were compiled based on the characteristics of the common credit risk and the number of days of late payment on maturity dates. Bounced notes relate to deferred checks resulting from contracts with customers sales, and relate to late payment interest resulting from bounced notes on the same characteristics of credit risks resulting from bounced notes. Therefore, the Company decided that the rates of late payment interest of notes receivable are reasonable approximation of the rates of expected credit losses of bounced notes. Expected credit loss rates are based on 36-month bounced notes analysis prior to 31 December 2022 and the corresponding historical credit losses incurred during this period. Historical loss rates are adjusted to reflect current and future information on macroeconomic factors affecting the ability to settle bounced notes. The company has determined that gross domestic product (GDP), unemployment rates as a proportion of the country's workforce, and the annual change in inflation rate "average consumer prices" in the Arab Republic of Egypt - the country where it provides services - to be the most relevant indicators, therefore historical expected credit losses are adjusted depending on expected changes in these indicators.

3-20 New versions and amendments to Egyptian accounting standards:

- On March 6, 2023, the Prime Minister issued Decision No. (883) of 2023 amending some provisions of the Egyptian Accounting Standards. On March 3, 2024, also, the Prime Minister issued Decision No. (636) of 2024 amending some other provisions of the Egyptian Accounting Standards. The following is a summary of the most important of these amendments:



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
<p>Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets and Their Depreciation" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".</p>	<p>1- These standards were reissued in 2023, allowing the use of the revaluation model when subsequently measuring fixed assets and intangible assets.</p> <p>This resulted in amending the paragraphs related to using the revaluation model option in some of the current Egyptian accounting standards, and the following is a statement of those standards:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodical Financial Statements" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Lease Contracts" <p>2- In line with the amendments made to Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6), (37) of Egyptian Accounting</p>	<p>No effect</p>	<p>The amendments to add the option to use the revaluation model apply retrospectively to financial periods beginning on or after January 1, 2023, with the cumulative effect of applying the revaluation model initially being recognized by adding it to the revaluation surplus account alongside equity at the beginning of the financial period in which the company first applies this model. These amendments apply retrospectively to annual periods beginning on or after January 1, 2023, with the cumulative effect of accounting treatment for bearer plants initially being recognised by adding it to the balance of retained earnings or losses at the beginning of the financial period in which the company first</p>





New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<p>Standard No. (10) "Fixed Assets and Their Depreciation" have been amended, and paragraphs 22 (a), 80 (c) and 80 (d) have been added to the same standard, with regard to fruitful plants.</p> <p>The company is not required to disclose the quantitative information required under paragraph 28 (w) of Egyptian Accounting Standard No. (5) for the current period, which is the financial statements period in which Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) 2023 amended are applied for the first time in relation to bearer plants. However, the quantitative information required by paragraph 28(f) of Egyptian Accounting Standard No. (5) must be disclosed for each prior period presented. The company may choose to measure an item of bearer plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company first applied the above amendments and use that fair value as its notional cost at that date. Any difference between the previous</p>		<p>applies this treatment.</p>



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<p>carrying amount and the fair value must be recognized in the opening balance by adding it to the revaluation surplus account next to equity at the beginning of the earliest period presented.</p>		
<p>Egyptian Accounting Standard No. (34) amended 2023 "Investment property"</p>	<p>1- This standard was reissued in 2023, allowing the use of the fair value model when subsequently measuring real estate investments.</p> <p>2- This resulted in amending some paragraphs related to the use of the fair value model option in some of the current Egyptian accounting standards, and the following is a statement of those standards:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodical Financial Statements" 	<p>The company doesn't own this type of asset, so this amendment doesn't impact the financial statements.</p>	<p>The amendments to add the option to use the fair value model apply retrospectively to financial periods beginning on or after January 1, 2023, with the cumulative effect of applying the fair value model initially recognised by adding it to the retained earnings or losses balance at the beginning of the financial period in which the company first applies this model.</p>



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<ul style="list-style-type: none"> - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Lease Contracts" 		
<p>Egyptian Accounting Standard No. (36) amended 2023 "Exploration and evaluation of mineral resources"</p>	<p>1- This standard was reissued in 2023, allowing the use of the revaluation model when subsequently measuring exploration and evaluation assets.</p> <p>2- The company applies either the cost model or the revaluation model for exploration and evaluation assets, provided that the evaluation is carried out by experts specialized in evaluation and valuation among those registered in a special register at the Ministry of Petroleum, and in the event of applying the revaluation model (whether the model included in Egyptian Accounting</p>	<p>The company doesn't own this type of asset, so this amendment doesn't impact the financial statements.</p>	<p>The amendments to add the option to use the revaluation model apply retrospectively to financial periods beginning on or after January 1, 2023, with the cumulative effect of applying the revaluation model initially recognised by adding it to the revaluation surplus account alongside equity at the beginning of the financial period in which the company</p>

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	Standard (10) "Fixed Assets and Their Depreciation" or the model included in Egyptian Accounting Standard (23) "Intangible Assets") it must be consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.		first applies this model.
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture"	<p>This standard was reissued in 2023, amending paragraphs (1-5), (8), (24), and (44) and adding paragraphs (5a)-(5c) and (63), regarding the accounting treatment of bearer plants (and accordingly amending Egyptian Accounting Standard (10) "Fixed Assets and Their Depreciation").</p> 	The company doesn't own this type of asset, so this amendment doesn't impact the financial statements.	These amendments shall apply for annual periods beginning on or after January 1, 2023, retrospectively, with the cumulative effect of the accounting treatment for bearer plants initially recognised by adding it to the balance of retained earnings or losses at the beginning of the financial period in which the Company first applies this treatment.
Egyptian Accounting Standard No. (50) "Insurance Contracts"	1- This standard specifies the principles for recognizing insurance contracts within the scope of this standard, and determines their measurement, presentation and disclosure. The	Management is currently assessing the potential impact on the financial statements from the	Egyptian Accounting Standard No. (50) must be applied for annual financial periods beginning

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<p>objective of the standard is to ensure that the company provides appropriate information that fairly expresses these contracts. This information provides users of the financial statements with the basis necessary to assess the impact of these insurance contracts on the company's financial position, financial performance and cash flows.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>3- Any reference in other Egyptian Accounting Standards to Egyptian Accounting Standard No. (37) shall be replaced by Egyptian Accounting Standard No. (50).</p> <p>4-Amendments have been made to the following Egyptian Accounting Standards to comply with the requirements for applying Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property". 	<p>application of this standard.</p>	<p>on or after July 1, 2024, and if Egyptian Accounting Standard No. (50) is applied for an earlier period, the company must disclose that fact.</p>
Egyptian Accounting	Egyptian Accounting Standard No. (34)	The company doesn't own this	The amendment to add the option to



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
Standard No. (34) amended 2024 "Investment property"	"Investment property" was reissued in 2024, amending the mechanism for applying the fair value model, as the requirement to record the profit or loss arising from the change in the fair value of the real estate investment was added to the statement of profit or loss for the period in which this change arises or through the statement of other comprehensive income once in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	type of asset, so this amendment doesn't impact the financial statements.	use the fair value model applies to financial periods beginning on or after January 1, 2024, and permits early retrospective application, with the cumulative effect of applying the fair value model initially recognized by adding it to the retained earnings or losses account at the beginning of the financial period in which the company first applies the model.
Egyptian Accounting Standard No. (17) amended 2024 "Standalone Financial Statements"	Egyptian Accounting Standard No. (17) "Standalone Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Associated Companies" when accounting for investments in subsidiaries, associates and companies with joint control.	The management is currently studying the possibility of changing the accounting policy followed and using the equity method when accounting for investments in subsidiaries, associates and jointly controlled companies, and evaluating the potential impact on the financial statements in the event that this method is used.	The amendments apply to financial periods beginning on or after January 1, 2024, and early application is permitted retrospectively, with the cumulative effect of applying the equity method being recognised by adding it to the retained earnings or losses account at the beginning of the financial period in which the company first applies this method.
Egyptian Accounting	This standard was reissued in 2024, adding how to determine the	Management is currently assessing	The amendments to the spot rate



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
Standard No. (13) amended 2024 "Effects of Changes in Foreign Exchange Rates"	spot rate when two currencies are not exchangeable and the conditions that must be met for the spot exchange rate at the measurement date. An application guidance appendix was added, which includes guidance for assessing whether a currency is exchangeable for another currency, and guidance for applying the required treatments in the event of non-exchangeability.	the potential impact on the financial statements from the application of the amendments to the standard.	<p>determination when two currencies are difficult to exchange apply to financial periods beginning on or after 1 January 2024. Early application is permitted, and if an entity early adopts, it must disclose this.</p> <p>On application, an entity shall not restate comparative information.</p> <p>Instead:</p> <ul style="list-style-type: none"> • When an entity reports foreign currency transactions in its functional currency, any effect of initial application is recognised as an adjustment to the opening balance of retained earnings at the date of initial application. <p>When an entity uses a presentation currency other than its functional currency or translates the results and financial position of a foreign operation, any effect of initial application is</p>




New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
			recognised as an adjustment to the cumulative amount of translation differences - accumulated in equity - at the date of initial application.
Accounting Interpretation No. (2) "Carbon Emission Reduction Certificates"	<p>Carbon Credits: are tradable financial instruments that represent greenhouse gas emission reduction units, each unit represents a ton of equivalent carbon dioxide emissions, and are issued to the developer of the reduction project (owner/non-owner), after accreditation and verification in accordance with internationally recognized carbon emission reduction standards and methodologies, carried out by local or international verification and certification bodies registered in the list prepared by the Financial Regulatory Authority for this purpose. Companies can use carbon emission reduction certificates to meet voluntary emission reduction targets (for companies) to achieve carbon exchange or other targets, which are traded in the voluntary carbon market. (Voluntary Carbon Market "VCM")</p> <p>The accounting treatments differ according to the nature of the arrangement and the commercial purpose of purchasing or issuing certificates by project developers. Therefore, companies must determine the facts and identify</p>	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	Application begins on or after January 1, 2025 and early application is permitted.



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<p>the different circumstances to determine the appropriate accounting treatment and the accounting standard to be applied.</p> <p>The interpretation addresses the accounting treatment of different cases in terms of initial measurement, subsequent measurement, exclusion from books, and necessary disclosures.</p>		
<p>Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies"</p>	<p>On October 23, 2024, Prime Ministerial Decision No. 3527 of 2024 was issued to add a new accounting standard, numbered 51, titled "Financial Statements in Hyperinflationary Economies," to the Egyptian Accounting Standards. This standard addresses the accounting treatment for entities operating in hyperinflationary economies, where the entity's functional currency is in an economy experiencing high inflation.</p> <p>The objective of Egyptian Accounting Standard No. 51 is to adjust financial statements so that they reflect the current purchasing power, thereby providing a more accurate and objective picture of an entity's financial position and performance. The standard applies to financial statements prepared in the currency of a hyperinflationary economy, whether the statements are standalone or consolidated. This includes both parent companies and subsidiaries operating under the same economic conditions.</p>	<p>No decision has been issued by the Prime Minister or his delegate to specify the start and end dates of the financial period(s) during which this standard should be applied. As a result, management has not assessed its potential impact on the financial statements.</p>	<p>No decision has been issued by the Prime Minister or his delegate to specify the start and end dates of the financial period(s) during which this standard should be applied.</p>



New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<p>The classification of economic transactions as occurring in a hyperinflationary environment is based on certain characteristics of the economic environment, including but not limited to the following:</p> <ul style="list-style-type: none"> - A preference among the majority of the population to hold their wealth in non-monetary assets or relatively stable foreign currencies. - The general population measures local currency amounts in terms of a relatively stable foreign currency, and prices may be quoted in that foreign currency. - The cumulative inflation rate over the three years preceding the classification of the economy approaches or exceeds 100%. <p>The required adjustments apply to all components of the financial statements, such as the Statement of Financial Position, Statement of Comprehensive Income, and Statement of Cash Flows. These components must be presented using a unit of measure that reflects current purchasing power at the end of the period. The standard will be effective starting October 24, 2024, with a decision issued by the Prime Minister or his delegate to specify the start and end dates of the financial periods during which the standard must be applied.</p> <p>The standard requires the use of a general price index to measure changes in purchasing power, with</p>		

New or amended standards	Summary of the most important amendments	Potential impact on the financial statements	Application date
	<p>assets, liabilities, expenses, and revenues adjusted according to this index. A decision from the Chairman of the Egyptian Financial Regulatory Authority, in coordination with the Central Bank of Egypt and the Ministry of Finance, will determine the appropriate index to be used when applying this standard to the local currency. This process will increase the comparability of financial periods, thus helping to make more informed investment and management decisions.</p> <p>Furthermore, the standard mandates the disclosure of the method of adjustment and any estimates or judgments made to ensure transparency. It is also required to explain the impact of inflation on the financial statement items.</p> <p>There is no impact on the financial statements for the period ending December 31, 2024.</p>		



Alexandria Mineral Oils Company "S.A.E"
Notes to the Standalone Financial Statements
For the Period ended 31 March 2025



4- Fixed assets:

The net book value of fixed assets on 31/03/2025 amounted to EGP 934,149,543 after deducting the accumulated depreciation of EGP 1,751,741,277 detailed as follows:

Description	Land	Buildings, constructions & facilities	Machinery and equipment	Vehicles	Tools and equipment	Furniture and office equipment	Total
Cost as at 01/07/2024	75,752,185	342,183,164	1,981,596,903	25,663,024	45,241,912	34,749,472	2,505,186,660
Additions	-	28,638,851	97,168,607	136,686	21,734,294	42,768,557	190,446,995
Disposals	-	-	(9,742,835)	-	-	-	(9,742,835)
Cost as at 31/03/2025	75,752,185	370,822,015	2,069,022,675	25,799,710	66,976,206	77,518,029	2,685,890,820
Accumulated depreciation 01/07/2024	-	210,459,760	1,377,710,874	24,672,685	36,259,393	22,142,427	1,671,245,139
Depreciation	-	10,075,150	69,017,173	281,355	3,306,672	7,558,623	90,238,973
Accumulated depreciation of disposals	-	-	(9,742,835)	-	-	-	(9,742,835)
Accumulated depreciation 31/03/2025	-	220,534,910	1,436,985,212	24,954,040	39,566,065	29,701,050	1,751,741,277
Net book value 31/03/2025	75,752,185	150,287,105	632,037,463	845,670	27,410,141	47,816,979	934,149,543
Net book value 30/06/2024	75,752,185	131,723,404	603,886,029	990,339	8,982,519	12,607,045	833,941,521

Lands:

The total area of the company land is 543,006.70 square meters of which 140 thousand square meters are intended to meet future expansions exists a garage and car service station for the Company's cars. Based on the meeting dated 28/6/2022 and the directives of the Executive Council of the Egyptian General Petroleum Corporation and the company's Board of Directors decision No. 318 of 2022 and the EGPC letter dated 7/5/2023 the Al Shoalaa land was excluded from the company's assets records, and a right of use contract has been issued for the land on which the AMOC company's torch was built with Alexandria petroleum company for a period of five years starting from 01/01/2022 and ending on 31/12/2026 to be automatically renewed after re-evaluating the benefit of the right of use agreement of both parties.

Fully depreciated assets:

The total value of fully depreciated assets and still in use on 31/03/2025 amounting to EGP 255,684,665. represented in :

<u>description</u>	<u>Amount</u>
Vehicles	23,817,683
Furniture	15,335,171
Tools and equipment	28,304,047
Buildings	41,546,617
Machinery	146,681,147
Total fully depreciated assets still in use	255,684,665,00

Idle assets:

At present, there are no assets that are completely idle.

5- Projects under construction:

The balance of projects under construction amounted to 390,226,831 EGP represented in:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Assets in development 5-1	331,707,116	208,086,113
Investment expenditure 5-2	58,519,715	50,042,300
Balance	390,226,831	258,128,413



5-1 Assets in development:

Description	Cost as at 01/07/2024	Additions	Transferred to assets	31/03/2025
Administrative building (1)	23,677,594	22,851,222	-	46,528,816
Warehouse (3004-3005)	34,522,974	15,013,098	(28,638,851)	20,897,221
Warehouse (3100)	211,200	39,958,635	-	40,169,835
Renovation of Warehouse 3253 B&D	-	7,835,893	-	7,835,893
Civil projects	58,411,768	85,658,848	(28,638,851)	115,431,765
DSC Solar Update	3,826	47,941,284	(47,945,110)	-
Self-monitoring devices	14,406,445	9,595,814	-	24,002,259
Improving efficiency of steam and condensate in diesel complex and facilities	19,964,797	20,749	(19,985,546)	-
Two (2) GA-225A/B pumps	-	2,356,686	(2,356,686)	-
Diesel fire pump	-	14,416,350	(14,416,350)	-
Cooling towers upgrade	2,721,750	9,743,165	(12,464,915)	-
Improving efficiency of torches	-	10,926,918	-	10,926,918
Machines and equipment	37,096,818	95,000,966	(97,168,607)	34,929,177
Tools and equipment	-	21,734,293	(21,734,293)	-
Vehicles and means of transportation	-	136,686	(136,686)	-
Furniture	-	956,500	(956,500)	-
Fixtures	-	3,862,270	(3,862,270)	-
ERP System	43,356,434	81,548,663	-	124,905,097
Cyber security system	40,000,000	-	-	40,000,000
LIMS	4,956,176	1,077,877	(6,034,053)	-
Forti and Palo Alto security devices	-	20,647,710	(20,647,710)	-
Information network update	8,807,005	2,461,020	(11,268,025)	-
Furniture and fixtures	97,119,615	110,554,040	(42,768,558)	164,905,097
Net equipment at project warehouses	15,457,912	983,165	-	16,441,077
Total	208,086,113	314,067,998	(190,446,995)	331,707,116



5-2 Investment expenditure:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Local advance payments (supplies contracts)	32,834,835	16,349,841
Balance of foreign payments for letters of credit	25,684,880	33,692,459
Balance	58,519,715	50,042,300

6- Investments in subsidiary company:

Investments in subsidiaries (company contribution) represented in issued capital which is 1 million for Alex Wax distributed as follows:

<u>Shareholder</u>	<u>Nationality</u>	<u>No. of shares</u>	<u>Contribution percentage</u>
Alexandria Mineral Oils "S.A.E"	Egyptian	8,645	86.45%
Petroleum Products Marketing Limited	English	855	8.55%
EGPC	Egyptian	500	5%
		10,000	100%

The value of these investments amounted to 864,500 EGP, the profits of which are calculated according to the cost method.

7- Financial investments :

104 thousand shares had been purchased for 12 million EGP in ASCPC CO. which represents 5.20% of its capital and the ownership of these shares has been transferred on 26/11/2018 session.



8-Right of use assets/liabilities:

8-1 Right of use asset:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Beginning balance	16,115,042	16,115,042
Additions	3,444,620	-
Cost at the end of period/year	19,559,662	16,115,042
<u>Accumulated amortization</u>		
Accumulated amortization at the beginning	(9,515,755)	(5,294,246)
Amortization for the period/year	(3,209,738)	(4,221,509)
Accumulated amortization at the end of the period /year	(12,725,493)	(9,515,755)
Net book value at the end of period/year	6,834,169	6,599,287

8-2 Lease liabilities:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Long term liabilities	2,561,546	2,429,315
Short term liability	4,914,542	3,402,085
Total lease liabilities	7,476,088	5,831,400

9- Inventory (net):

The inventory are as follows (in EGP):

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Raw materials	232,821,905	510,743,273
Supporting materials (chemicals and additions)	322,724,225	33,377,592
Spare parts	212,652,580	161,171,146
Miscellaneous materials and supplies	15,579,472	12,373,163
Packing materials	582,782	499,141
Letters of credits and their expenses	20,696,303	46,594,114
Work in process inventory	1,022,920,910	395,654,356
Finished goods	1,209,082,581	733,680,233
Inventory impairment*	(13,760,062)	(13,760,062)
Total	3,023,300,696	1,880,332,956

* The impairment in the prices of stagnat and dispensable material inventories amounted to 13,760,062 EGP which has been deducted from the spare parts.



10- Accounts Receivable:

The Accounts receivable balance amounted to EGP 895,088,037 as at 31/03/2025, this balance is as follows:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Alexandria Wax Products Company	665,904,422	595,784,485
Shell	62,465,332	97,189,421
Cooperation petroleum company	261,488,543	438,413,056
Exxon Mobile	95,777,020	50,291,921
Total	73,573,998	36,591,650
Chevron	6,613,883	21,815,958
Misr Petroleum Company	95,517,906	82,569,765
ACPA	4,225,919	4,694,463
ASPPC	15,779,435	19,498,910
TAQA/Castrol	9,011,759	4,341,943
Emarat Misr	-	4,980,166
Petromine	23,946,360	34,612,263
El Nile	5,221,433	2,453,801
Cargas	5,378,122	5,242,710
Lam Oil	11,410	-
OLA ENERGY	49,783,617	29,627,196
Watanya	7,800	7,800
Provision for expected credit losses	(1,198,406)	(1,198,406)
Total	1,373,508,553	1,426,917,102

**Note that the above balances are collected on due dates. . .



11- Debtors And other debit balances

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Related parties	8,768,803	6,048,944
Miscellaneous debtors	-	50,000
Custom duties authority	2,656,145	6,032,379
Deposits *	73,532,023	69,872,297
Loans to employees	48,180,447	102,465,319
Withholding tax**	188,998,702	276,826,510
Tax authority – installments	94,430,242	47,659,934
Value added tax on production supplies	2,535	41,827,138
petty cash	220,000	-
Other debit balances (note No. 11-1)	59,454,051	48,332,014
Provision for expected credit losses (debtors)	(185,623)	(185,623)
Total	476,057,325	598,928,912

* Includes an amount of EGP 73.2 million set aside at EGPC for the benefit of GASCO for the supply of natural gas.

**The item represents the amounts deducted for withholding tax and advance payment system payments until they are settled in the tax return.



11-1- Other debit balances

Other debits balances are represented in EGP as follows:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Debit note	17,758,662	6,312,457
Advance payments	23,515,908	29,730,884
Prepaid expenses	16,830,795	4,749,511
Accrued interest National Bank of Egypt EGP	344,990	704,219
Accrued interest National Bank of Egypt US Dollar	2,258,155	3,597,221
Accrued interest QNB EGP	-	1,769,178
Accrued Agriculture Bank of Egypt	518,093	3,241,096
expected credit losses (debit accounts)	(1,772,552)	(1,772,552)
Total other debit accounts	59,454,051	48,332,014

12- Cash at banks and on hand:

The balance of cash and cash equivalents appearing in the statement of cash flows is represented in cash at banks and on hand, bank demand deposits :

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Time deposits	1,180,329,000	1,755,450,000
Current accounts	983,051,840	917,910,518
Cash		
Cash on hand	2,627,678	371,406
expected credit losses (cash balances)	(34,918,491)	(43,220,224)
Total	2,131,090,027	2,630,511,700
(Deduct)		
*Pledged deposits (long term financial investments)	(539,367,000)	(512,550,000)
cash and cash equivalent balance	1,591,723,027	2,117,961,700

* Pledged deposits for credit facilities are classified under financial investments.

The cash and cash equivalents balance in the cash flow statement consists of cash in the treasury and banks and bank deposits on demand with a maturity not exceeding three months.

13- Capital:

- The company was established with an authorized capital of 2 billion EGP - issued and paid up capital of 820 million EGP which was raised to 861 million EGP - with a par value per share of 100 EGP

and after implementing formal regulations to increase the share capital by free shares amounting to 41 million EGP, representing 5% of the value of the contribution in accordance with the General Assembly resolution on 28 September 2004. The increase was recorded in the commercial register on 27 February 2005. The par value per share has been split from 100 EGP per share to 10 EGP per share so the number of shares reached 86100000 shares instead of 8610000 shares in accordance with the Extra-ordinary General Assembly on 20 June 2005. This amendment was registered in the Commercial Register on 10 August 2005.

- The company's shares were listed on the stock exchange tables in Cairo and Alexandria on 8 December, 2004. The company's shares were consigned centrally to Misr for Central Clearing on 5 December 2004. These shares were dealt with through the Central Depository System as of 23 December, 2004 and the trading of the shares in the Stock exchange is done according to the trading standards approved by the Authority.
- Note that on 6 September, 2005, 20% of the capital was offered for public subscription to individuals and other institutions. These shares were traded on 29 September, 2005.
- Alsharq Insurance Company was merged with Misr Insurance Company on 4/12/2007.
- On 30/06/2008, the share of National Bank of Egypt in AMOC's capital was transferred to Al-Ahly Capital Holding Company.
- On 28/06/2010, the share of Bank Misr in AMOC's capital was transferred to Misr Financial Investment Company.
- On 23/06/2011 a total of 3899479 shares of Misr Insurance Company were transferred to Misr Life Insurance Company and by 4.53% of the company's shares.
- On 06/01/2021 Al-Ahly capital company sold 10 million shares of its stocks through the stock exchange and Alexandria Petroleum co. purchased them, and on 18/03/2021 it sold 425000 shares through stock exchange for public subscription.

Capital management:

-The purpose of capital management is to securely keep balanced capital rates to support the company's business and maximize shareholders' profit. The company manages its capital structure according to variable business conditions. Targets, policies, and operations are stable during the year ending on the 30th of June 2024 and the period ending on the 31th of March 2025. Capital consists of capital shares amounting to EGP 2.5 on the 31st of March 2025 (EGP 2,6 billion on the 30th of June 2024).

-Al Ahli Capital purchased 5.6 million shares from Misr Financial Investments Company and other shares from the Egyptian Stock Exchange.

-The par value of AMOC's share is split from 10 EGP to 1 EGP, to end up with a total 861000000 shares instead of 86100000 shares, upon extraordinary general assembly approval on the 25th of February 2017, which was subsequently recorded in the commercial register on the 4th of April 2017.

- Upon the approval of AMOC General Assembly held on the 23rd of September 2017, an allotment of half bonus share among shareholders is in progress through authorized institutions and a half share was



distributed through the Egyptian Stock Exchange at 3/1/2018 ending in number 1,291,500,000 shares with par value 1 EGP per share and this amendment was recorded to in the Commercial Register of the Company on the 24th of January 2018 and an amendments for the articles (6,7) of Articles of Association 276/k has been made and published on 31/12/2017.

-Misr Financial Company changed to be Misr Capital according to the Financial Regulatory Authority decision on 11/02/2020

14- Reserves:

Legal and mandatory reserves within the company's law and articles of association:

Reserves are supported according to the first and fifth sections of Article No. 56 of the Company's articles of association which states the following:

- At least 5% of profits are deducted to form the legal reserves. This deduction is suspended when the total reserves amount is 50% of the issued capital of the company and when the reserves decrease deduction is continued.
- Extraordinary reserves or extraordinary consumption money are formed under the proposal of the Board of Directors and after the approval of the Assembly after the deduction of a share for the cash distribution of workers and shareholders and the remuneration of the members of the Board of Directors

Other reserves balance is represented as follows (EGP):

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Miscellaneous reserves*	2,240,327	2,240,327
General reserve*	1,442,151,545	438,538,197
Total	1,444,391,872	440,778,524

- * Miscellaneous reserves are assets granted to the Company at the beginning of the project.
- * The General Reserve was formed by the memorandum submitted to the Board of Directors and approved by the General Assembly. The balance of the general reserve shall be used for the company's benefit.



15- A-Transactions with related parties:

The related parties are represented in the associates and major shareholders, they also represent companies controlled, jointly controlled, or significantly influenced by those related parties. The terms and conditions for the transactions with related parties are approved by the board of directors. Transactions with related parties are carried out by the company in the context of its normal transactions and in accordance with the conditions established by the board of directors and with the same basis for dealing with others. The following is a statement of the value and nature of the transactions that took place during the period:

<u>Company Name</u>	<u>Transaction amount</u>	<u>Nature of transaction</u>	<u>Balance in 31/03/2025</u>
	Million EGP		Million EGP
Alexandria Petroleum Company	5.2	Electricity of fire station	2.4
	2.5	Shoala land right of use	
	6	The expenses of the geographical area and the Petroleum basin	
Misr Insurance Company	34.8	Assets insurance	-
Misr Life Insurance Company	8.7	Group insurance policy	
Cooperation Petroleum Company	1373	Products	261.5
Misr Petroleum	441.1	Products	95.5
Alex Wax	2379	Products	665.9

B-Transactions with Egyptian General Petroleum Corporation

<u>Company Name</u>	<u>Transaction amount</u>	<u>Nature of transaction</u>	<u>Balance in 31/03/2025</u>
	Million EGP		Million EGP
Egyptian General Petroleum Corporation	21326.2	Sales of products to the EGPC	1618.6
	24824.3	Receipts from the EGPC	

- The EGPC's balance with the company on 1/7/2024 amounted to about 430 million pounds for EGPC.
- The total dues to the Authority for the company's purchases from the Authority amounted to 16 billion Egyptian pounds, and the amounts deducted from our account by the Authority amounted to 1.1 billion pounds - represented by the consumption of hydrogen gas, electricity, income tax, and... - bringing the total due to the Authority to 17.1 billion Egyptian pounds.
- The company's total sales to the Authority amounted to about 13.9 billion Egyptian pounds, in addition to amounts paid to the Authority in the amount of 3.2 billion pounds. Thus, the balance becomes 17.1 billion Egyptian pounds payable to the authority.

Therefore, the balance on 31/03/2025 becomes 454.6 million Egyptian pounds payable to the authority.



16- Deferred tax liability

The balance of deferred tax liabilities is represented as follows: (EGP)

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
The beginning balance	119,724,760	98,392,283
Deferred tax (asset)/ expense	(3,973,813)	21,332,477
The ending balance	115,750,947	119,724,760

Deferred tax is recognized as an asset or a liability in the statement of financial position and it results from the temporary difference between the book value of assets and liabilities on accounting basis and their value according to tax basis. These differences at the tax rate amounted to EGP 3,973,813 on 31/03/2025.

-The deferred tax has been calculated for the current period as follows:

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Fixed and long-term assets	44,400	(6,369,566)
Lease contracts	(317,208)	(18,107)
Provisions	1,867,890	1,034,668
The effect of translating balances in foreign currency	(5,568,895)	3,471,251
Deferred tax (asset)/ expense	(3,973,813)	(1,881,754)



Current liabilities: The balance of current liabilities is represented as follows (EGP):

17-Provision:

<u>Description</u>	<u>Balance on</u> <u>01/07/2024</u>	<u>Used</u> <u>during</u> <u>the</u> <u>period</u>	<u>No longer</u> <u>required</u>	<u>Formed</u> <u>during the</u> <u>period</u>	<u>Balance on</u> <u>31/03/2025</u>
Tax disputes provision*	1,153,012,669	-	197,657,941	182,000,000	1,137,354,729
Claims and disputes provision	16,831,008	-	-	-	16,831,008
Total Provisions	1,169,843,677	-	197,657,941	182,000,000	1,154,185,737

*Tax provision is formed to counter corporate and salary tax inspection differences amounting to EGP 1,133.5 million for the years 2014/2024, EGP 3.8 million for value added tax inspection difference 2017/2020 and 0.136 million stamp taxes .

Expected credit losses:

<u>Description</u>	<u>Balance on</u> <u>01/07/2024</u>	<u>Used</u> <u>during the</u> <u>period</u>	<u>No longer</u> <u>required</u>	<u>Formed</u> <u>during the</u> <u>period</u>	<u>Balance on</u> <u>31/03/2025</u>
Expected credit losses for receivables	1,198,406	-	-	-	1,198,406
Expected credit losses for debtors	185,623	-	-	-	185,623
Expected credit losses for other debit balances	1,772,552	-	-	-	1,772,552
Expected credit losses for Cash	43,220,224	-	(8,301,731)	-	34,918,491
Total Provisions	46,376,805	-	(8,301,731)	-	38,075,072

18-Due to tax authority

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Corporate tax	262,835,581	568,316,500
Total	262,835,581	568,316,500



18-1 Current income tax:

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Income tax on activities	131,062,219	226,567,453
Independent tax base	131,773,362	44,096,392
Current income tax	262,835,581	270,663,845
<u>Distributed to the following statements</u>		
Income tax charged to the profit or loss statement	262,835,581	247,975,686
Income tax charged to other comprehensive income statement	-	22,688,159

18-2 Adjustment to calculate the effective tax rate:

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Net profit before taxes in the profit or loss statement	1,415,463,606	1,229,452,188
Net profit before taxes in the comprehensive income statement	1,415,463,606	1,229,452,188
<u>Adjustments to net accounting profit</u>		
Non-deductible expenses	295,495,774	97,348,489
Adjusting interest and expenses on leasing contracts	(1,799,932)	(3,085,661)
Adjusting depreciation and capital gains	10,300,035	38,535,768
Items previously subject to tax	(205,959,673)	(16,405,125)
Revenue exempt from tax	(417,755,000)	(269,996,921)
Dividends tax	41,775,500	26,219,692
Adjusting foreign exchange differences	(29,755,949)	-
Net other independent tax base	881,880	45,732
The taxable tax base	1,168,158,139	1,102,114,162
Income tax due	262,835,581	247,975,686
Effective tax rate	18.6%	20.2%



19-Creditors and other credit balances:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
EGPC current account	1,618,627,129	430,472,285
Related parties	3,233,468	5,435,591
First Retention	3,389,536	5,818,835
Final Retention	11,471,193	7,572,836
guarantee deposit	24,444,404	18,379,799
Social Insurance	5,811,514	4,983,199
Miscellaneous taxes	110,586,588	104,135,530
Other credit balances (Note 19-1)	456,638,524	685,250,182
Total	2,234,202,356	1,262,048,257

19-1 Other credit balances:

<u>Description</u>	<u>31/03/2025</u>	<u>30/06/2024</u>
Employees' families medical fund	21,838,690	11,118,420
Engineering and construction stamps	903,905	296,868
Miscellaneous creditors	263,356,830	480,869,171
Advance payment customers	14,271,293	12,429,120
Accrued expenses	962,566	37,020,743
Amounts gained from work Completion	20,925,819	21,848,788
Due to employees	129,888,163	119,395,678
Miscellaneous credit balances	4,491,258	2,271,394
Total	456,638,524	685,250,182

-The balance of miscellaneous creditors is represented in the amount of electricity, gas, water and maintenance advance payments from clients & others.

-The balance of due to employees is represented in deposits and dues during the year.



Letters of guarantee issued by/to the company;

* Letters of guarantee received by the Company amounted to **EGP 194,651,192** represented in initial and final deposit, and advance payment.

* Letters of guarantee issued by the Company amounted to **EGP 35,000** consists of electricity consumption guarantee and employee's treatment at the armed forces hospital.

20- Loans:

Description	31/03/2025			30/06/2024		
	Current	Non-current	Total	Current	Non-current	Total
Loan Tranche in Egyptian Pounds	342,390	4,166,808	4,509,198	1,369,561	4,166,808	5,536,369
Loan Tranche in USD	\$ 46,199	\$ 562,401	\$ 654,799	\$ 184,797	\$ 562,401	\$ 747,198
its And equivalent in Egyptian Pounds	2,340,179	28,487,847	30,828,026	8,862,991	26,973,077	35,836,068
Total in EGP	2,682,569	32,654,655	35,337,224	10,232,552	31,139,885	41,372,437

On December 29, 2022, Alexandria Mineral Oils Company signed a medium-term facility contract with the National Bank of Egypt for a total amount of EGP 6.3 million according to the following controls:

- Interest rate: 1% above the corridor rate and paid monthly
- Commission: 1 per thousand on the highest debit balance and paid monthly

On December 29, 2022, Alexandria Mineral Oils Company signed another medium-term facility contract with the National Bank of Egypt with a total amount of 851 thousand US dollars according to the following controls:

- Interest rate: 2% above SOFR rate and paid monthly
- Commission: 1 per thousand on the highest debit balance and paid monthly

The data of these loans are as follows:

- The loan period is five years starting from 29/12/2022 and ending on 28/12/2027.
- The draw period ends on 28/4/2024.
- Number of installments: 43 equal installments.
- Grace period (first installment payment): Ends on 28/05/2024.

The purpose of the loan to finance the phenolic pollutant treatment unit project within the industrial pollution control program starting from December 2022, and the program provided the opportunity to obtain a grant to finance the establishment of that project according to the following conditions:

Grants Conditions:

- 10% if the project Achieves a Net Present Value (NPV) for 10 years and an Internal Rate of Return (IRR) greater than 10%.
- 14.5% in the event that the project achieves a negative current net NPV value for five years and an internal rate of return (IRR) of less than 10%.
- 21.8% if the project achieves negative NPV for 10 years and an internal rate of return (IRR) of less than 10%.



- The loan period is five years starting from 29/12/2022 and ending on 28/12/2027.
- The draw period ends on 28/4/2024.
- Number of installments: 43 equal installments.
- Grace period (first installment payment): Ends on 28/05/2024.

Conditions for the availability of the Grants:

In the event of entitlement to a 21.8% grant, it is divided into two tranches:

First tranche: 13.11% grant calculated monthly interest and avoided and not paid when achieving the purpose of the project, and the grant is disbursed after issuing a certificate from the Environmental Protection Agency stating that the project achieved the environmental goal through 4 quarterly measurements (one year from the date of operation).

The second tranche: 8.69% Grants calculated on monthly interest and paid monthly, and the grant is disbursed after 4 years from the date of the first draw (12/7/2023).

Profit or loss statement:

21- Net sales

Activity revenue amounted to EGP 27,866,476,394 for the quantity of 933929,792 tons as follows:

<u>Description</u>	<u>31/03/2025</u>		<u>31/03/2024</u>
	<u>Quantity/ton</u>	<u>EGP</u>	<u>EGP</u>
Oils	71867,400	3,942,014,467	2,932,059,427
Wax	52492,300	2,402,183,272	1,467,885,454
Gas oil	236599,193	7,505,731,455	7,262,063,981
Naphtha	56227,582	1,616,168,419	1,178,563,450
LPG	32397,872	1,096,368,577	695,430,983
Fuel oil (mix)	474327,545	11,107,919,642	8,777,300,116
Heavy fuel oil	9990,360	195,873,762	202,255,269
Waste	27,540	216,800	88,900
Total	933929,792	27,866,476,394	22,515,647,580

22- Other revenues:

Other operating revenues amounted to EGP 585,659,387 represented in:

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Credit Interests	274,514,557	208,564,889
Compensation and fines	2,900,151	789,353
Miscellaneous revenues	31,565,685	11,198,207
Foreign exchange gain	70,719,321	-
Expected Credit Loss	8,301,732	-
Provision no longer required	197,657,941	16,405,125
Total	585,659,387	236,957,574



23- Costs of Sales:

Cost of sales Amounted to **26,604,932,416**

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Salaries	956,929,799	829,146,769
Raw materials	24,501,770,049	19,561,533,108
Supporting materials	94,106,049	74,193,209
Depreciation	81,012,544	65,616,317
Other costs	971,113,975	688,152,377
Total	26,604,932,416	21,218,641,780

Other expenses includes the consumption of natural gas, operational electricity, operational water, spare parts, maintenance expenses, operating management contract and technical support with the Egyptian Projects Operations & Maintenance Company (EPROM), which includes:

* Supervision and management of the operation, providing technical support and operational consulting for the production units of the company which includes oils and waxes units, and maximization of gas oil units, as well as utilities, and petroleum traffic facilities.

* Management of activities and providing technical support and consulting for managing activities in industrial safety, occupational safety, health and environmental protection, chemical laboratories, technology and development, monitoring and approving equipment performance, maintenance planning and management system, engineering inspection, establishment of the infrastructure of information systems, internal and external training and assisting in the study of investment projects.

24- General and Administrative Expenses:

General and administrative expenses amounted to EGP 625,769,894 represented in insurance, water and lighting, real estate taxes, wages, depreciation, financial statements publishing expenses, newspapers and magazines publishing expenses, accounting and legal services, geographical area expenses, commissions, and bank expenses.

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Salaries (cash - in-kind- insurance)	276,508,544	236,432,650
Miscellaneous materials & equipment	2,802,645	1,608,173
Lighting	12,102,011	9,599,746
Water	721,412	715,555
Stationary, printings, and computer equipment	1,453,297	852,833
Maintenance expenses	140,580	89,711
Public relations and hospitality expenses	13,335,731	7,160,438
Publication and subscription in newspapers and magazines	-	227,998
Publication of financial statements	301,856	353,500
Software subscription	29,477,832	80,349,652
Telephone and internet	1,038,928	801,473



Transportation allowance	1,175,799	1,196,517
Car and garage rentals	15,977,063	7,093,808
Accounting and legal services	685,774	415,500
Geographical location expenses	7,511,044	5,602,140
Services of ministries, agencies and exhibitions	9,131	3,301
Insurance	34,774,988	23,219,931
Training expenses	2,583,467	3,148,351
Company contribution in services fund	15,000,000	8,000,000
Management expenses (EPROM)	1,101,156	1,148,779
Commission and bank expenses	657,687	185,603
General assembly expenses	1,619,739	1,275,480
Miscellaneous service expenses	70,827,180	42,521,182
Stamp duty and other fees	48,000,360	28,915,216
Property tax	3,104,964	3,104,964
Contribution to comprehensive health insurance	71,659,828	58,362,013
Lease contract liability interest	762,758	573,571
Building and furniture depreciation	9,226,382	3,708,897
Right of use amortization	3,209,738	1,918,006
Total	625,769,894	528,584,988

25- Selling & Marketing Expenses:

Description	31/03/2025	31/03/2024
Salaries	21,879,681	18,128,630
Packing materials	5,708,944	6,888,545
Other marketing expenses	9,769,033	6,503,370
Right of use amortization	-	1,248,125
Total	37,357,658	32,768,670

26- Other Expenses:

Other operating expenses amounted to EGP 2,740,000 which are represented in the attendance and travel allowance for the board members.

Description	31/03/2025	31/03/2024
Foreign Currency Exchange	415,000	30,030
Donations	355,000	336,565
Transportation allowance for members of the Board of Directors	600,000	382,000
Attendance allowance for members of the board of directors.	1,370,000	599,250
Total	2,740,000	1,347,845



- Statement of Cash Flows:

Banks were affected by an amount of EGP 70,719,321 which is the value of the foreign exchange revaluation.

Debit balances were affected by an amount of EGP 3,121,238 which is the accrued interest.

27- Earning per share:

<u>Description</u>	<u>31/03/2025</u>	<u>31/03/2024</u>
Net profit after tax	1,156,601,838	983,358,256
Deduct Employees profit share and BoD members bonuses	118,135,184	100,923,326
Net profit after Employees' profit share and BoD members bonuses	1,038,466,654	882,434,930
Number of shares	1,291,500,000	1,291,500,000
Earnings per share	0.90	0.76
(Share par value 1 EGP)	For 9 months	For 9 months

28- Year Profit

-The profit for this period before taxes amounted to EGP 1415463606 at 30.17% of invested capital, and 109.6% of paid capital compared with comparative period of EGP 1229452188 at 27.99% of invested capital and 95.2% of paid capital for the comparative period.

-The profit for the period after taxes EGP 1156601838 at 24.65% of invested capital, and 89.55% of paid capital versus EGP 983358256 at 22.39% of invested capital and 76.14% of paid capital for the comparative period.



Other disclosures

▪ **The Company includes the following production units:**

- 1- Oil and wax complex. 2- Maximizing gas oil productivity complex.

- The company has applied the exemption under paragraph (5) of Annex (C) of Egyptian Accounting Standard No. (13), published in the Official Gazette, issue no. 19 Bis (A) dated 16 May 2023, by recognizing exchange rate differences, whether debit or credit, within Other Comprehensive Income (OCI) during the period.

▪ **Pension liabilities:**

The company participates in the systems of the General Authority for Social Insurance on a compulsory basis in accordance with the Social Insurance Law No. 79 of 1975 and its amendments. The company also provides employees with a special system of savings insurance and end-of-service reward.

29- Legal cases from and against AMOC:

- 1- Sales Tax Case regarding capital goods was filed against the Sales Tax Authority to claim the right of AMOC to recover and discharge the amounts paid, which are being paid in installments as these goods are used by the company not imported for trading purposes. The lawsuit was rejected and as a result the company appealed. A ruling was pronounced stating the discharge of AMOC from the amount of EGP 36,123,712 and recovering the amount of EGP 1,879,336, after the issuance of the writ of execution. Bearing in mind that the State Lawsuits Authority filed an appeal at the Court of Cassation.
- 2- Service fees on capital goods case was filed against the Customs Authority to refund what was paid for services the Customs Authority didn't provide. A ruling was made by the Trial Court obligating the Customs Authority to refund the amount of fees paid by AMOC. And the Company filed an appeal to claim interests of these amounts as well. On the other hand, the State Lawsuits Authority filed an appeal to the trial judgment. As a result, a judgment was made by the Court of Appeal dismissing the State Lawsuits Authority appeal and confirming the trial judgment and obligating the Customs Authority to refund the amount of EGP 14,586,579 to the company and discharging AMOC from the fees, after the issuance of the writ of execution. With this in view, the State Lawsuits Authority filed an appeal at the Court of Cassation.
- 3- Engineering designs case filed by the Company against the Customs Authority and the claim amount is EGP 33,762,878 (Only thirty-three million seven hundred sixty-two thousand eight hundred seventy-eight). A ruling was issued by the trial court to end the dispute as the case has been waived by the Customs Authority in the presence of the judicial expert. The judgment was appealed as the Customs Authority did not implement the decision of the ministerial committee and filing two suits against AMOC.
- 4- A lawsuit to cancel the decision to collect the tax stipulated by Law No. (44) of 2014, which resulted in the company being required to pay an amount of 47,501,632 Egyptian pounds. The dispute continued and the case was circulated through the various stages of litigation until it was transferred to the commissioners on March 2024.



- 5- A lawsuit against the Minister of Finance regarding the real estate tax due on the company in the amount of (3,740,601 Egyptian pounds/year). The case was circulated until it was referred to the expert in January 2023.
- 6- The appeal filed against the Minister of Finance to claim the company's acquittal from the tax on naphtha deliveries to the Egyptian General Petroleum Corporation in the amount of EGP 4,545,511.22, tax differences resulting from certification differences in the amount of EGP 22,845.83, and tax differences due on the proceeds of transactions with the subsidiary Alexandria Wax Products Company in the amount of EGP 9,626,203, which had previously been paid in advance. The lawsuit was heard in the various stages of the dispute, and the lawsuit is awaiting the expert's report.
- 7- The appeal is filed with the Administrative Court regarding the recognition of the financing expenses for the credit facility as deductible expenses in accordance with the provisions of the law. The case was filed in May 2024, and was postponed in July 2024.

30- Tax Position:

The company prepares tax returns for corporate taxes, stamp, labor and sales tax and delivers them to the specialized authorities at the legal dates, and pays the due to tax authorities from the reality of tax declarations. The following is the tax position of the company.

▪ Corporate Tax:

Inspection and payment of the dues until the financial year 2013 / 2014 is completed, knowing that there is a dispute over 2005/2006, 2006/2007 and we were notified with form (36) taxes, and a sum of 10,6 million EGP was paid, filing a case before the specialized courts to settle down the dispute. the company was notified with form (19) for the years 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020 and was appealed on legal dates, and payment has been made on tax inspection account amounting to 30.9 million EGP. The company was inspected for the years 2020/2021 to 2022/2023 and we were notified of a form for the years, and it was appealed, and the company is waiting for the internal committee's decision.

▪ Salary tax:

The inspection and payment of dues were completed till 2016 and we finished years 2017 and 2018 in Dispute Settlement Committee and the tax was paid . We have been notified with an examination form up to the year 2022. The documents have been prepared and submitted to the Large Taxpayers Center, and no tax assessment decision has been issued for those years to date.

▪ Stamp Tax:

The company has been audited, and the dues have been settled up to June 30, 2020.

▪ Property tax:

The property tax has been paid up to June 30, 2024.

▪ Value-added tax:

The company's monthly returns for the years up to June 2023 were reviewed and the company's tax dues were paid. Down payments were for VAT account in the amount of EGP 4.9 million and no claim for settlement of tax differences has been issued to date.



▪ **Withholding tax:**

The company was inspected till June 2023 and the inspection differences were paid.

31- Fair value and risk management:

Fair value of financial instruments:

*Financial instruments are represented in the financial assets and liabilities.

*The financial assets include cash in hand and bank, accounts receivable, notes receivable and other debtors.

*The financial liabilities include balances of accounts payable, notes payable, creditors, credit balances with related parties, accrued income tax, dividends payable.

There is no significant difference between the fair value of the financial instruments and its book value.

▪ **Risk management objectives and policies:**

* The company is exposed to the following risks arising from the use of financial instruments:

*Credit Risk.

*Market Risk.

*Liquidity Risk.

This note provides information on the exposure of the company to each of the above risks and the company's objectives, policy and process in terms of measuring and managing these risks as well as how the company manages the capital.

The Board of Directors of the Company is responsible for establishing a framework for managing and supervising the risks to which the Company is exposed. The senior management of the Company is responsible for developing and tracking the Company's risk management policies and reporting to the Company on its activities on a regular basis.

The current framework for financial risk management in the company is a combination of officially documented risk management policies in specific areas and unregistered risk management policies used in other areas.

▪ **Credit Risk:**

- Are financial losses incurred by the Company in case a customer or a counterparty fails to fulfill its obligation. The Company is exposed to credit risk on its balances with banks, accounts receivable and some other assets as shown in the balance sheet.
- Credit risk is the risk that arises when a one part of the financial instrument fails to fulfill its obligations which accordingly results in financial losses for the other part.
- The Company seeks to reduce credit risk in respect to bank deposits through dealing with creditworthy banks, setting credit limits and monitoring debt balances regarding the accounts receivable.
- Credit risks are limited to financial asset balances in the financial position

▪ **Accounts and notes receivable balances:**

The risk of credit arises based on the company's policies, procedures, and control related to credit risk management. The customer's credit worthiness is measured based on a credit scorecard for each client individually and the credit limit is determined based on this assessment. Customers' outstanding balances are constantly monitored. The company conducts impairment studies every financial year.



▪ **Other financial assets and deposits:**

With respect to credit risks arising from the Company's other financial assets, which include bank balances, cash, and financial assets at expense.

The enterprise is exposed to credit risks because of the counterparty's failure to pay up to a maximum amount equal to the book value of the assets.

The financial sector of the local company with the support of the parent company manages the credit risks arising from the balances within banks and financial institutions and the company limits its exposure to credit risks by depositing balances with international banks or local banks with good reputations. The management does not expect according to the information that the company has about the bankers it deals with to hinder any counterparty in fulfilling its obligations.

▪ **Due from related parties:**

Due from related parties for transactions that arise in the normal course of business are associated with minimal credit risk where the maximum amount of exposure equals the book value of these balances.

▪ **Market risk:**

Market risk arises from the fluctuation of the fair value of the cash flows of the financial instrument due to changes in market prices. Examples of these are the risk of the foreign exchange rate and the risk of interest rates, which are risks that would affect the company's income. Financial instruments that are affected by market risk include interest-bearing loans and deposits. The objective of market risk management is to manage and control risks within acceptable limits and at the same time achieve attractive returns. The company does not hold or issue derivative financial instruments.

Exposure to interest rate risk:

Interest rate risk arises from the fluctuation of the fair value of future cash flows of financial instrument due to changes in market interest rates. The company's exposure to the risks of changes in market interest rates is mainly related to the company's obligations at a floating interest rate and interest-bearing deposits.

Interest on financial instruments with a floating interest rate is re-priced from one period to another, provided that the interval does not exceed one year.

▪ **Liquidity risk**

Liquidity risk is represented in factors that may affect the Company's ability to pay all of its liabilities. Management monitors liquidity risks resulting from uncertainty regarding cash inflows and outflows through maintaining an adequate level of cash balances

32- Significant and Subsequent Events:

32/1) Change in exchange rates:

Amid a globally and locally volatile economic environment, coupled with escalating geopolitical risks, the Central Bank of Egypt implemented a series of measures by early 2024, to mitigate the impact of these factors on the Egyptian economy. These measures included adjusting the exchange rate of the Egyptian pound against foreign currencies, followed by a move to a floating exchange rate in March 2024 in accordance with market mechanisms, resulting in a devaluation of the pound. Additionally, overnight deposit and lending interest rates were repeatedly raised, peaking at a 600-basis-point increase in March 2024, reaching 27.25% and 28.25%, respectively, as part of an extended loan agreement with the International Monetary Fund (IMF). Furthermore, restrictions on cash withdrawals and deposits in banks were imposed.



These measures have slowed the flow of foreign currency transactions through official banking channels, leading to delays in settling some international financial obligations and increasing the cost of acquiring and repaying foreign currencies. The continuation of these conditions, along with associated risks, represents an uncertainty factor that could impact the company's financial performance and its financial and operational commitments in foreign currencies. Despite inflation slowing to 25.7% in July 2024, down from a peak of 38% in September 2023, persistent inflationary pressures remain a significant challenge.

For the financial statements ending on March 31, 2025, no direct impacts resulting from these developments have been observed. However, given the unstable nature of the economic situation, there is a possibility of these developments affecting the financial statements in future periods. Determining the magnitude and timing of this potential impact remains a challenge for the company's management under these circumstances. The management is diligently assessing all potential impacts on future financial statements, taking into account developments in exchange rates, interest rates, and inflation.

Moreover, on April 17, 2025, the Central Bank of Egypt reduced interest rates following a series of consecutive holds. The Bank indicated that the monthly inflation performance since the beginning of the year has "started to return to its historically typical pattern, signaling improved inflation expectations." Inflation is expected to continue declining during 2025 and 2026, albeit at a slower pace compared to the first quarter of 2025. The company's management is currently evaluating the potential effects on its future financial statements.

Subsequent Events

In March 2025, the United States government and other countries announced amendments to customs duty on a range of imported goods, including certain raw materials and industrial components utilized in the company's operation processes. As this event occurred after the reporting date of March 31, 2025, and does not reflect conditions at that time, it is classified as a **non-adjusting event** in accordance with **Egyptian Accounting Standard (EAS) No. 5 – "Subsequent Events"**

Although the event does not necessitate any adjustment to the financial statements for the year ended 31 March, 2025, management believes it may have a potentially **material financial effect** on future operating costs and profit margins, particularly in the event of increased costs for imported inputs.

Management continues to closely monitor developments in international trade and customs policies and will evaluate the potential financial and operational implications of such changes. Appropriate measures will be considered and implemented as necessary. Furthermore, any material updates related to this matter will be disclosed in future reporting periods in accordance with EAS No. 5.

Disclosure and Transparency

Based on the importance of this event and its potential impact on future financial performance, management decided to disclose it in this note to ensure transparency and compliance with Egyptian and international accounting standards, although there is no direct impact on the financial results for the year ended 31 March 2025.

32/2) Issuance of International Financial Reporting Standard No. 18 (IFRS 18):

On April 9, 2024, the International Accounting Standards Board (IASB) issued International Financial Reporting Standard No. 18 (IFRS 18), titled "Presentation and Disclosure in Financial Statements," to replace International Accounting Standard No. 1 (IAS 1), "Presentation of Financial Statements." IFRS 18 aims to enhance the way information is presented in financial statements, with a focus on the profit or loss statement and accompanying notes, thereby improving transparency and comparability among companies.



Key changes in IFRS 18:

a. Restructuring the Profit or Loss Statement:

- The standard introduces three distinct categories for income and expenses: operating, investing, and financing.
- It mandates the presentation of new subtotals, including "Operating Profit" and "Profit Before Financing and Tax," providing investors with a standardized starting point for analyzing financial performance.

b. Management-Defined Performance Measures (MPMs):

- The standard requires companies to disclose any performance measures defined and used by management in public communications outside the financial statements.
- These measures must be presented in a separate note, explaining how they are calculated, their relevance to users, and their alignment with the subtotals specified by IFRS.

c. Enhancing Aggregation and Disaggregation Principles:

- The standard emphasizes the need for appropriate aggregation and disaggregation of information, helping to provide more detailed and clear insights for users.
- It requires disclosure of expense details by nature, such as employee costs and asset depreciation, to improve transparency.

d. Amendments to the Statement of Cash Flows:

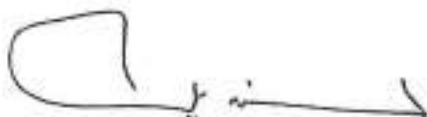
- While the main changes focus on the profit or loss statement, the standard includes limited amendments to disclosure requirements for the statement of cash flows, aiming to enhance understanding of operating, investing, and financing cash flows.

33- Comparative figures:

The comparative figures have been reclassified to be comparable to the current period's figures.

34-Financial statements approval:

The Company's financial statements for the financial period ended March 31, 2025, were approved by the Board of Directors on May 14, 2025.



Vice President for Financial Affairs

Dr. Acc. Ahmed Kandil



General Manager of Financial Affairs

Acc. Mohammed Gomaa

