MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
MERGING COMPANY

THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED December 31, 2023
And Auditor's Report

Contents

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Translated - the original issued in Arabic

AUDITOR'S REPORT

To the Shareholders of Misr Fertilizers Production Company "MOPCO" (S.A.E)

Report on the Financial Statements

We have audited the accompanying financial statements of Misr Fertilizers Production Company "MOPCO" (S.A.E), represented in statement of Financial Position as of December 31, 2023, and the related statement of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements as at December 31, 2023.

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Opinion
In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of Misr Fertilizers Production Company "MOPCO" (S.A.E) as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Report on Other Legal and Regulatory Requirements
The company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the company's records.

Auditor

Khaled Hegazy

Dr Khaled A. Hegazy
Independent Professional Practice, Member of Crowe Global
Fellow of the Egyptian Society for Accountants & Auditors
Accountants & Auditors Register "AAR" No. 10945
Financial Regulatory Authority Auditors Register "FRAAA" No. 72

Giza: February 15, 2024

Crowe
Dr. Khaled A Hegazy
Dr. A. M. Hegazy & Co
Accountants & Consultants

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT December 31, 2023

In Egyptian pound	Note No.	December 31, 2023	December 31, 2022 Merging company in accordance to GAFI adjustments**
Assets			
Non-current assets			
Fixed assets & projects under construction	(3)	35 606 433 627	1 174 057 956
Other assets & projects under construction	(4)	45 251 573	13 011 971
Right of use asset	(5)	114 162 591	30 138 017
Investments in subsidiaries	(6)	–	23 190 460 937
Investments in associates	(7)	1 566 325	–
Financial assets at amortised cost	(8)	2 651 983 898	–
Loan to subsidiary	(10)	–	2 142 052 655
Other financial assets	(11)	588 141 794	222 386 871
Total non-current assets		**39 007 539 808**	**26 772 108 407**
Current assets			
Inventory	(12)	1 235 471 092	333 738 417
Accounts receivable	(13)	727 877 314	483 505 865
Financial assets at amortized cost	(8)	4 466 296 953	–
Financial assets at fair value through profit or loss	(9)	620 378 810	–
Loan to subsidiary	(10)	–	3 865 121 489
Debtors and other debit balances	(14)	240 052 060	63 111 984
Due from related parties	(15)	–	73 474 672
Suppliers (advance payments)		77 024 326	9 456 857
Cash at banks and on hand	(16)	7 814 757 372	4 384 347 061
Total current assets		**15 181 857 927**	**9 212 756 345**
Total assets		**54 189 397 735**	**35 984 864 752**
Equity			
Issued and paid-up capital	22-b	20 791 840 110	2 291 172 320
Legal reserve		734 200 772	542 474 871
General reserve	22-c	352 383 742	352 383 742
Result of the merging process	22-d	7 889 562 509	18 500 667 790
Retained earnings		13 484 740 108	7 957 374 709
Total equity		**43 252 727 241**	**29 644 073 432**
Liabilities			
Non-current liabilities			
Lease liabilities	(18)	127 711 334	43 624 058
Deferred tax liabilities	(23)	6 852 611 239	1 137 973 002
Non-current employee benefits obligation	(24)	307 457 991	–
Total non-current liabilities		**7 287 780 564**	**1 181 597 060**
Current liabilities			
Current income tax	(17)	2 613 879 927	978 257 525
Lease liabilities	(18)	20 765 534	5 708 337
Trade payables	(19)	241 425 813	312 258 009
Creditors and other credit balances	(20)	295 685 111	3 807 038 356
Advance payments from customers (contract liability)		192 240 116	7 026 093
Current employee benefits obligation	(24)	3 291 062	–
Provisions	(21)	281 602 367	48 905 940
Total current liabilities		**3 648 889 930**	**5 159 194 260**
Total liabilities		**10 936 670 494**	**6 340 791 320**
Total equity & liabilities		**54 189 397 735**	**35 984 864 752**

* The accompanying notes from no(1) to no(42) are an integral part of the financial statements and to be read
** Attached the statement of financial position as at December 31, 2022 according to GAFI adjustments

The company's vice president for financial & economic affairs	Chairman of board of directors & Managing Director
Acc. Mohamed El Shayeb	ENG. Ahmed Mahmoud El-Sayed

Auditor's report "attached"

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED AT

In Egyptian pound	Note No.	December 31, 2023	December 31, 2022
Net sales	(25)	5 959 553 344	6 992 193 630
Cost of sales	(26)	(2 735 322 554)	(2 747 630 005)
Gross profit		**3 224 230 790**	**4 244 563 625**
Other income	(27)	155 257 336	9 061 629
Selling and marketing expenses	(28)	(160 487 452)	(99 380 702)
General and administrative expenses	(29)	(213 266 360)	(142 649 745)
Other Expenses	(30)	(36 607 935)	(61 214 455)
Capital losses		(97 672)	-
(Formed)/Reversal of expected credit losses	(33)	(4 418 140)	3 654 863
Operating profit		**2 964 610 567**	**3 954 035 215**
Finance income	(32)	879 572 186	291 830 303
Finance costs	(31)	(31 046 190)	(1 529 430)
Foreign currency translation gains		2 119 579 834	24 621 659
Net finance income		**2 968 105 830**	**314 922 532**
Company's share in the subsidiary's dividends		1 530 854 436	628 973 053
Net profit for the year before income tax		**7 463 570 833**	**4 897 930 800**
Income tax	(34)	(1489 214 435)	(1063 412 789)
Net profit for the year after income tax		**5 974 356 398**	**3 834 518 011**
Basic and diluted earnings per share	(35)	**2.87**	**1.84**

* The accompanying notes from no(1) to no(42) are an integral part of the financial statements and to be read therewith.

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)

EGYPTIAN JOINT STOCK COMPANY

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED AT

In Egyptian pound

	December 31, 2023	December 31, 2022
Net profit for the year	**5 974 356 398**	**3 834 518 011**
Other comprehensive income		
Remeasurement of assets / Defined benefit obligations	(248 161 495)	-
Tax related to defined benefits	55 836 336	-
Currency differences from translation of balances in foreign currencies	-	2 886 148 919
Deferred tax related to currency differences from translation of balances in foreign currencies	-	(649 383 507)
Total other comprehensive income for the year after tax	**(192 325 159)**	**2 236 765 412**
Transferred to retained earnings	192 325 159	(2 236 765 412)
Total comprehensive income for the year	**5 974 356 398**	**3 834 518 011**

* The accompanying notes from no(1) to no(42) are an integral part of the financial statements and to be read therewith.

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
STATEMENT OF CHANGE IN EQUITY
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

In Egyptian pound

Description	Issued and paid-up capital	Legal reserve	General reserve	Retained earnings	Result of the merging process	Total
Balance as at January 1, 2022	2 291 172 320	465 049 128	352 383 742	4 407 182 861	–	7 515 788 051
Comprehensive income						
Net profit for the year	–	–	–	3 834 518 011	–	3 834 518 011
currency differences from translation of balances in foreign currencies				2 236 765 412	–	2 236 765 412
Total comprehensive income	–	–	–	6 071 283 423	-	6 071 283 423
Transferred to legal reserve		77 425 743		(77 425 743)		
Transactions with the owners of the company						
Dividends to employees and board of directors	–	–	–	(152 493 511)	–	(152 493 511)
Dividends to shareholders	–	–	–	(2 291 172 320)	–	(2 291 172 320)
Total transactions with the owners	–	77 425 743	–	(2 521 091 574)	–	(2 443 665 831)
Balance as at December 31, 2022	2 291 172 320	542 474 871	352 383 742	7 957 374 710	–	11 143 405 643
GAFI Adjustment						
GAFI Adjustment	-	-	-	-	23 190 460 937	23 190 460 937
Dividends to employees and board of directors	-	-	-	(214 115 742)	-	(214 115 742)
Dividends to shareholders	-	-	-	(3 436 758 480)	-	(3 436 758 480)
Inventory impairement	-	-	-	-	(37 082 045)	(37 082 045)
Investments closing	-	-	-	-	(1 001 836 880)	(1 001 836 880)
Net Adjustments	–	–	–	(3650 874 222)	22 151 542 012	18 500 667 790
Balance as at December 31, 2022	2 291 172 320	542 474 871	352 383 742	4 306 500 488	22 151 542 012	29 644 073 433
Balance on January 1, 2023	2 291 172 320	542 474 871	352 383 742	4 306 500 488	22 151 542 012	29 644 073 433
Comprehensive income						
Balance adjustments	–	–	–	(192 325 158)	69 966 649	(122 358 509)
Write off marine platform licenses	–	–	–	–	(21 740 554)	(21 740 554)
Net equity of the merged company	–	–	–	–	9 911	9 911
Net profit for the year of the merging company	–	–	–	5 974 356 398	–	5 974 356 398
Net profit of the merged company	–	–	–	3 587 934 281	–	3 587 934 281
Currency differences from translation of balances in foreign currencies "the merged company"	–	–	–	–	4 190 452 281	4 190 452 281
Total comprehensive income	-	-	-	9 369 965 521	4 238 688 287	13 608 653 808
Transactions with the owners of the company						
Transferred to legal reserve from year 2022 profit	–	191 725 901	–	(191 725 901)	–	–
Capital increase	18 500 667 790	–	–	–	(18 500 667 790)	–
Total transactions with the owners	18 500 667 790	191 725 901	–	(191 725 901)	(18 500 667 790)	–
Balance as at December 31, 2023	20 791 840 110	734 200 772	352 383 742	13 484 740 108	7 889 562 509	43 252 727 241

* The accompanying notes from no(1) to no(42) are an integral part of the financial statements and to be read therewith.

Adjustments were made on the openning balance of retained earnings by deducting the employee benefits obligation amount in accordance to the actuarial expert's study also, the result of the merging process balance were adjusted to the effects of the merged company financial performance result till the date of merge on December 13, 2023 as disclosed in note no. (22-d)

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED AT

In Egyptian pound	Note No.	December 31, 2023	December 31, 2022
Cash flows from operating activities			
Net profit for the year before tax		7 463 570 833	4 897 930 800
Adjusted as follows:			
Fixed asset depreciation	(3)	260 909 444	152 021 114
Amortization of other assets and right of use assets	(4&5)	5 090 440	5 184 786
Provisions formed		14 130 822	37 343 967
Provisions no longer required		(139 960 970)	(1 004 989)
Liability for employee benefits		35 159 004	-
Capital (profits) losses		97 672	(636 613)
Company's share in the subsidiary's dividends		(1 530 854 436)	(628 973 053)
Formed/(Reversal of) expected credit losses	(33)	4 418 140	(535 884)
Net finance income	(32)	(848 525 996)	(290 300 873)
Unrealized foreign currency translation changes		(1 327 586 124)	-
		3 936 448 829	**4 171 029 255**
Changes in:			
Change in other financial assets		(310 484 600)	(185 699 250)
Inventory		(30 917 871)	(47 099 149)
Accounts receivable		(244 371 449)	(268 033 157)
Debtors and other debit balances		(176 940 076)	(5 721 403)
Due from related parties		52 564 928	1 244 160
Suppliers (advance payments)		(67 567 469)	(3 693 893)
Trade payable		(70 832 196)	136 681 050
Creditors and other credit balances		(18 894 835)	1 545 295
Advance payments to customers (lease liability)		185 214 023	(27 083 089)
Provisions used		-	(33 829 764)
Cash flows generated from operating activities		**3 254 219 284**	**3 739 340 055**
Dividends paid to employees and board of directors		(214 115 743)	(152 493 511)
Income tax paid		(1 018 183 406)	(493 653 019)
Paid for employee benefits		(1 475 075)	-
Net cash flows generated from operating activities		**2 020 445 060**	**3 093 193 525**
Cash flows from investing activities			
Received interest		850 993 033	148 604 047
Paid investment in associate companies		(1 566 325)	-
Proceeds from the subsidiary's loans		3 865 121 489	-
Proceeds from investment in subsidiary companies income		1 376 283 993	555 987 791
Paid in securities & treasury bills		(7 537 642 431)	-
Sale of capital assets		-	636 613
Payment for the purchase of fixed assets, projects under construction and other assets		(85 495 513)	(109 099 471)
Net cash flows generated from investing activities		**(1 532 305 754)**	**596 128 980**
Cash flows from financing activities			
Dividends paid to shareholders		(3 437 011 301)	(2 291 309 983)
Debit interest paid		(2 142 560)	(1 529 430)
Payment of lease liabilities		(6 906 452)	(4 044 734)
Net cash flows used in financing activities		**(3 446 060 313)**	**(2 296 884 147)**
Net changes in cash and cash equivalents		**(2 957 921 007)**	**1 392 438 358**
The effect of changes in exchange rates on cash and cash equivalents		1 339 478 811	719 968 048
Cash & cash equivalent at the beginning of the year		4 384 347 061	2 271 940 655
Cash received from merged company		5 048 852 507	-
Cash & cash equivalent at the end of the year	(16)	**7 814 757 372**	**4 384 347 061**

* The accompanying notes from no(1) to no(42) are an integral part of the financial statements and to be read therewith.

Translation of financial statements originally issued in Arabic

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
THE NOTES OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

1- Company's background

1-1 Legal entity

- Misr Fertilizers Production Company "MOPCO" - S. A. E. (formerly Misr Oil Processing Company) – an Egyptian Private Free Zone – was established under the provisions of law no. 8 of 1997 for investments guarantees and incentives and its executive regulations and amendments and law no. 159 of 1981 and its executive regulations and amendments issued by law no. 4 of 1998 and Minister of Economy decision no. 25 of 1998 and Capital Stock Market law no. 95 of 1992 and its executive regulations.
- The Company was registered in Cairo Commercial Register under number 50112 at January 12, 2011.
- The company is registered in the official list of the stock exchange of the Arab Republic of Egypt.
- Chairman of the Board of Directors and Managing Director is Eng. / Ahmed Mahmoud Mohamed El-Sayed
- According to the text of Article 11 of Law No. 114 of 2008 dated May 5, 2008, all licenses for investment projects under the private free zone system in the field of fertilizer industry have been terminated. Accordingly, the Company is no longer operating under the private free zone.
- The extraordinary general assembly decided on November 4, 2023 the merge of the Egyptian Nitrogen Products Company (ENPC) a merged company with Misr Fertilizers Production Company (MOPCO) a merging company and that on book value basis in accordance to the financial statements on December 31, 2022 which is the date used as a base for merge in accordance to the report issued by the economic performance at the General Authority for Investment and Free Zones by the formed committee in accordance to the decision of the Minister of Investment and International Cooperation No. 95 of 2018. The committee's decision was approved by the Chief Executive Officer of General Authority for Investment and Free Zones on September 21, 2023 with the distribution of the capital of the merging company and the merged company on the basis of net equity of the merging company and the merged company according to the market value of the assets of the merging company and the merged company on the date used as a base for merge. This was noted in the commercial register on December 13, 2023.

1-2 The purpose of the Company:

- The purpose of the Company is the production of fertilizers, ammonia and nitrogen. The Company may also be in benefit from or get involved in any way in the incorporation or formation other companies engaging in activities similar or related to its activities, and which may help it to achieve its purposes inside and outside the Arab Republic of Egypt after the approval of General Authority for Investment and Free Zones (GAFI) and the Company must obtain all licenses necessary to carry out its activity.
- The extraordinary general assembly held on November 21, 2021, approved to add the below activities:
- Buying, selling and marketing all nitrogen fertilizer products and their derivatives.
- Developing, establishing, owning, financing, managing, maintaining and operating a project for the production of melamine and its derivatives.
- Marketing, distributing and selling the melamine product and its derivatives abroad and all over Egypt, except for the Sinai Peninsula region, where the approval of the Authority is required in advance.
- The extraordinary general assembly also authorized the Company to have an interest or to participate in any way in the incorporation or formation of other companies that engage in activities similar or related to its activities, and which may help it to achieve its purposes inside and outside the Arab Republic of Egypt after the approval of General Authority for Investment and Free Zones (GAFI) and the Company must obtain all licenses necessary to carry out its activity.
- The Extraordinary General Assembly, held on April 15, 2023, also approved adding the below activity:
- Production, distribution and sale of urea solution with different concentrations and used in different applications and uses, including car exhaust treatment.

- The assembly also agreed to extend the term of the company for another twenty-five years, starting from the end of the previous period, and each extension of the term of the company must be approved by the extraordinary general assembly of the company, and a decision issued by the General Authority for Investment and Free Zones (GAFI) for it.

1-3 <u>The Company's term:</u>

- The Company's term is 25 years starting from the date of the Company's registration in the commercial register.
- The term of the company was extended for another twenty-five years, starting from 28/07/2023 to 27/07/2048, and this was noted in the company's commercial register on 31/05/2023.

1-4 <u>The Company's Headquarters:</u>

- The company's administrative headquarters has been modified to become: Building 194, New Cairo, North 90th, Sector Two, City Center, Fifth Settlement, Cairo. The main center and location of industrial activity: the public free zone in the new city of Damietta, as shown in the commercial register issued on September 22, 2022.

2- <u>Basics for preparation of financial statements</u>

2-1 Compliance with accounting standards and laws

- The financial statements have been prepared in accordance with the Egyptian accounting standards and the related Egyptian law and regulations.
- The board of directors approved the issuance of the financial statements on February 15,2024

2-2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the assets and liabilities which are stated at fair value through profit and loss.

2-3 Functional and presentation currency

The financial statements are presented in Egyptian Pound which is the Company's functional currency.

2-4 Use of estimates and personal judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

These estimates and associated assumptions are based on management's historical experience and other various factors which could be reasonable in the light of current circumstances and events based on which the carrying amount of assets and liabilities are identified and actual results may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis and any differences in accounting estimates are recognized in the year in which those estimates were changed, and if these differences affect the year in which the change was made and future years, then these differences are included in the year in which the adjustment was made and the future years.

A- Personal judgment

Information about the judgments used in applying accounting policies that have a significant effect on the values presented in the financial statements are included below:

- Provisions for expected claims and contingent liabilities.
- Measurement of impairment in asset values.
- The useful lives of fixed assets.

B- Uncertain assumptions and estimates

Information about uncertain assumptions and estimates at the date of the financial statements, which may result in an effective adjustment in the book value of assets and liabilities in the next financial period, represented in:

- Recognition and measurement of provisions and liabilities: the underlying assumptions about the likelihood and magnitude of an outflow of resources.

- Measurement of expected credit losses for cash in banks, accounts and notes receivable, and other financial assets.

C- Fair value measurement

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

The measurement of the fair value of assets and liabilities is mainly based on the available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company recognizes transfers between levels of the fair value hierarchy at the end of the financial period during which the change occurs.

Further information on the assumptions applied when measuring the fair value of financial instruments is included.

3-Fixed assets (net)

In Egyptian pound	Land	Buildings & constructions	Machinery & equipment	Vehicles	Tools	Furniture & fixtures	Computers	Projects under construction	Total
Cost									
Cost as at 1/1/2022	-	**138 143 730**	**2 301 310 375**	**25 792 877**	**36 282 556**	**12 250 637**	**28 080 168**	**318 267 016**	**2 860 127 359**
Additions	-	**28 500**	-	3 465 500	1 758 822	933 639	1 014 975	101 010 427	**108 211 863**
Disposals	-	-	-	(996 900)	-	-	(306 121)	-	**(1 303 021)**
Transferred from projects under construction	101 809 908	234 164 504	768 749	-	4 634 194	10 030 880	23 803 269	(375 211 504)	-
Cost as at 31/12/2022	**101 809 908**	**372 336 734**	**2 302 079 124**	**28 261 477**	**42 675 572**	**23 215 156**	**52 592 291**	**44 065 939**	**2 967 036 201**
Additions	-	-	-	-	6 360 065	1 537 887	3 682 826	73 914 735	**85 495 513**
Cost of merged company's assets	160 211 287	15 537 308	49 062 289 173	75 004 685	36 642 820	12 095 408	65 424 591	142 539 855	**49 569 745 127**
Disposals	-	-	-	(109 900)	(362 886)	(289 332)	(587 149)	-	**(1 349 267)**
Transferred from projects under construction		49 745 090	-	-	3 537 818	-	5 844 085	(59 126 993)	-
Cost as at 31/12/2023	**262 021 195**	**437 619 132**	**51 364 368 297**	**103 156 262**	**88 853 389**	**36 559 119**	**126 956 644**	**201 393 536**	**52 620 927 574**
Accumulated Depreciation									
Accumulated depreciation as at 1/1/2022	-	**67 830 750**	**1 503 915 960**	**16 875 215**	**24 214 638**	**8 169 389**	**21 251 508**	-	**1 642 257 460**
Depreciation for the year	-	13 073 239	123 755 685	3 860 211	3 508 258	837 629	6 986 092	-	**152 021 114**
Disposals	-	-	-	(996 900)	-	-	(303 429)	-	**(1 300 329)**
Accumulated depreciation as at 31/12/2022		**80 903 989**	**1 627 671 645**	**19 738 526**	**27 722 896**	**9 007 018**	**27 934 171**		**1 792 978 245**
Accumulated depreciation of the merged company's assets		**2 576 456**	**14 838 873 127**	**45 123 042**	**11 570 912**	**8 804 118**	**54 605 132**	-	**14 961 552 787**
Depreciation for the year	-	23 084 963	217 500 785	3 863 959	4 652 468	1 883 844	9 923 425	-	**260 909 444**
Disposals	-	-	-	(109 900)	(268 540)	(289 332)	(278 757)	-	**(946 529)**
Accumulated depreciation as at 31/12/2023		**106 565 408**	**16 684 045 557**	**68 615 627**	**43 677 736**	**19 405 648**	**92 183 971**		**17 014 493 947**
Net book value as at 1/1/2022	**-**	**70 312 980**	**797 394 415**	**8 917 662**	**12 067 918**	**4 081 248**	**6 828 660**	**318 267 016**	**1 217 869 899**
Net book value as at 31/12/2022	**101 809 908**	**291 432 745**	**674 407 479**	**8 522 951**	**14 952 676**	**14 208 138**	**24 658 120**	**44 065 939**	**1 174 057 956**
Net book value as at 31/12/2023	**262 021 195**	**331 053 724**	**34 680 322 740**	**34 540 635**	**45 175 653**	**17 153 471**	**34 772 673**	**201 393 536**	**35 606 433 627**
Assets depreciated in books but still in use									**196 870 403**

* The commercial mortgage of the merged company was written off on December 13, 2023 and this was noted in the commercial register.

** Depreciation in 2023 is more than 2022 as a result of the depreciation of the merged company's assets from December 13, 2023 to December 31, 2023.

- **Projects under construction within fixed assets are represented as follows:**
  In Egyptian pound

	31/12/2023	31/12/2022
Building and roads	10 075 000	15 927 381
Machine and equipment	130 389 228	14 106 059
Computers	213 479	5 065 884
Advance payment	27 062 237	8 057 219
Letters of credit	33 653 592	909 396
Total	**201 393 536**	**44 065 939**

4- Other assets & projects under construction

In Egyptian Pound	The Company's contribution in assets not owned by it and serve its purposes	Gas pipeline	License and software	Projects under construction	Total
COST					
Cost as at 1/1/2022	5 000 000	15 627 372	8 957 122	9 302 292	38 886 786
Additions during the year	-	-	-	887 609	887 609
Cost as at 31/12/2022	**5 000 000**	**15 627 372**	**8 957 122**	**10 189 901**	**39 774 395**
Additions during the year	-	-	-	33 311 641	33 311 641
Cost as at 31/12/2023	**5 000 000**	**15 627 372**	**8 957 122**	**43 501 542**	**73 086 036**
Accumulated amortization					
Accumulated amortization as at 1/1/2022	5 000 000	11 733 265	8 864 538	-	25 597 803
Amortization during the year	-	1 072 037	92 584	-	1 164 621
Accumulated amortization as at 31/12/2022	**5 000 000**	**12 805 302**	**8 957 122**	**-**	**26 762 424**
Amortization during the year	-	1 072 039	-	-	1 072 039
Accumulated amortization as at 31/12/2023	**5 000 000**	**13 ٨٧٧ ٣٤١**	**8 957 122**	**-**	**27 834 463**
Net book value					
Net book value as at 1/1/2022	**-**	**3 894 107**	**92 854**	**9 302 292**	**13 288 983**
Net book value as at 31/12/2022	**-**	**2 822 070**	**-**	**10 189 901**	**13 011 971**
Net book value as at 31/12/2023	**-**	**1 750 031**	**-**	**43 501 542**	**45 251 573**
Amortized assets and still in use	**-**	**-**	**-**	**-**	**13 957 122**

- **Projects under construction within other assets are represented as follows:**

In Egyptian pound

	31/12/2023	31/12/2022
Licenses and software	43 501 542	10 189 901
Total	**43 501 542**	**10 189 901**

5- Right-of-use assets

The right of use assets is represented in the rental value for the remaining period of the leased land contract on which the factory is located in the public free zone in Damietta as follows:

In Egyptian Pound

Cost	**Land**
Cost as at 1/1/2023	38 174 821
Balance of the merged company	128 678 195
Addition during the year	-
Cost as at 31/12/2023	**166 853 016**
Accumulated amortization	
Accumulated amortization as at 1/1/2023	8 036 804
Accumulated amortization of the merged company	40 635 219
Amortization expense during the year	4 018 402
Accumulated amortization as at 31/12/2023	**52 690 425**
Net book value as at 31/12/2022	**30 138 017**
Net book value as at 31/12/2023	**114 162 591**

6- Investment in subsidiaries:

In Egyptian Pound

	31/12/2023		31/12/2022 The value adjusted as according to a decision GAFI	
	Contribution percentage %	**Amount in EGP**	**Contribution percentage %**	**Amount in EGP**
Egyptian Nitrogen Products Company ENPC	-	-	99.99996	23 190 460 937
	-	**-**	**99.99996**	**23 190 460 937**

- On August 11, 2008, the shareholders of the company entered into an agreement with the shareholders of Egyptian Nitrogen Products Company ENPC (formerly E-Agrium), according to which the company will acquire the rights of the shareholders of the Egyptian Company for Nitrogenous Products ENPC (formerly E-Agrium), in addition to all the advantages and obligations the contractual agreement of the company through a share swap contract. The implementation of this contract requires the fulfillment of certain conditions and events, which are expected to be fulfilled after August 31, 2008.
- On November 8, 2008, the extraordinary general assembly unanimously approved the agreement concluded on August 11, 2008 between the shareholders of "MOPCO" and the shareholders of Egyptian Nitrogen Products Company ENPC (formerly E-Agrium) regarding the exchange of shares in light of the allocation of 99 616 188 shares resulting from the capital increase of "MOPCO", with a nominal value of 10 Egyptian pounds per share to the shareholders of the Egyptian Nitrogen Products Company ENPC (formerly E-Agrium) according to the approval of the extraordinary general assembly of the shareholders of "MOPCO" on November 8, 2008,and on January 11, 2009, the ownership of the shares were transferred at the nominal value.
- According to the economic performance report of the General Authority for Investment and Free Zones, which determined the value of investments in the subsidiary on December 31, 2022 at 936,421,167 US dollars (net ownership rights of the subsidiary), equivalent to 23,190,460,937 Egyptian pounds at an exchange rate of 24,765 pounds to the dollar, a rate of 99.99968%. of the subsidiary's ownership rights and the exchange rate used during the year 2023 is 30.892 pounds to the dollar.

7 -Investment in associate companies:

In Egyptian Pound		**31/12/2023**		**31/12/2022**
Damietta for Green Ammonia Company	20%	1 566 325	-	-
	20%	**1 566 325**	**-**	**-**

Damietta for Green Ammonia Company:

- The Company has contributed in the establishment of a new company to produce green ammonia inside the public free zone in Damietta (Damietta for Green Ammonia Company) a joint stock company by free zone regulation with capital amounting to 1 000 000 US dollars in which the Company contributes 20% in it together with the Egyptian Petrochemicals Holding Company and Scatec Norwegian company.
- Investments in the company at December 31, 2023 amounted to 1 566 325 equivalents to (50 thousand US dollars) 20% of issued capital.

8- Investments at amortized cost:

8-1 Financial investments at amortized cost (non-current portion):

In Egyptian Pound	**31/12/2023**	**31/12/2022**
Government Bonds	2 925 342 525	-
Unearned returns (amortized cost)	(273 358 627)	-
Net book value	**2 651 983 898**	**-**

- Represented in securities and deposits with maturity dates exceeding 12 months from the date of the financial position, and includes investments held till maturity for the purpose of collecting cash flows from interest and the principal at maturity.

8-2 Financial investments at amortized cost (current portion):

In Egyptian pound	31/12/2023	31/12/2022
Government bonds at par value	1 906 440 052	-
Time deposits	2 586 966 120	-
	4 493 406 172	**-**
Unearned returns (amortized cost)	(27 109 219)	
Net book value	**4 466 296 953**	**-**

Represented in securities and deposits with maturity dates exceeding 91 days from the date of the financial position, and includes investments held till maturity for the purpose of collecting cash flows from interest and the principal at maturity.

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

In Egyptian pound	31/12/2023 Before revaluation	31/12/2023 After revaluation	Change
Investment funds	614 872 688	620 378 810	5 506 122
	614 872 688	**620 378 810**	**5 506 122**

10- Loan to the subsidiary company

Non-current portion

Description	Currency	Balance as at 31/12/2023	Balance as at 31/12/2022	Equivalent in EGP 31/12/2023	Equivalent in EGP 31/12/2022
Interest	USD	-	86 512 976	-	2 142 052 655
Current portion					
Loan	USD	-	156 104 083	-	3 865 121 489
Total			**242 617 059**	**-**	**6 007 174 144**

- The balance of the subsidiary's (ENPC) loan was not included on 2023 as a result of the merge.

11- Other financial assets

In Egyptian pound	Note no	31/12/2023	31/12/2022
Letters of guarantee *		47 421 351	36 738 932
Pledged Deposits **		231 807 000	185 699 250
Frozen Deposits***		309 076 000	-
Expected credit losses	(33)	(162 557)	(51 311)
		588 141 794	**222 386 871**

*Letters of guarantee are fully covered amounts according to long-term contract terms with various authorities and parties (a letter of guarantee in favor of GASCO in the amount of 1 320 000 US dollars in return for the supply of gas - a letter of guarantee in favor of the Public Free Zone in Damietta in return for securing the factory land rent in the amount of 213.000 US dollars and another in the amount of 40.000 Egyptian pounds)

** The deposits represent the equivalent of US$ 7.5 million against frozen deposits with the Export Development Bank in exchange for the issuance of a letter of credit for the supply of capital assets to the company.

*** Represents in a frozen deposit amounting to 10 million USD in return of a letter of credit in favour of EGAS company according to gas import agreement with the merged company.

12- Inventory

In Egyptian pound	31/12/2023	According to a decision GAFI 31/12/2022
Spare parts	677 344 809	197 608 764
Finished goods at cost	440 222 646	87 685 216
Work in process at cost	174 024 829	30 718 924
Supplies	81 612 529	26 018 402
Goods in transit	136 833 203	20 736 358
Raw material	35 859 778	7 269 700
Oils and fuels	536 186	783 099
	1 546 433 980	**370 820 463**
Accumulated impairment inventory	(310 962 888)	(37 082 046)
Net Book Value	**1 235 471 092**	**333 738 417**

- Includes work in process inventory at cost for the quantity of 3,801.51 of ammonia held at Abu Qir Fertilizers company.

13- Accounts and notes receivable

In Egyptian pound	Note no.	31/12/2023	31/12/2022
Accounts receivable		728 260 668	483 639 486
Expected credit losses	(33)	(383 354)	(133 621)
		727 877 314	**483 505 865**

14- Debtors and other debit balances

In Egyptian pound		31/12/2023	31/12/2022
Accrued credit interest		35 659 354	17 158 462
Employees' advances and Installments		29 756 368	20 603 247
Deposits with others		9 972 099	10 020 959
Other debtors		2 196 945	6 207 904
Tax refund		7 780 648	2 412 370
Prepaid expenses		13 366 330	6 709 042
Value added tax		128 888 480	-
Tax Authority		13 187 840	-
Expected credit losses	(33)	(756 004)	-
		240 052 060	**63 111 984**

15- Transactions with related parties

A- Related parties represent:

– Egyptian Petrochemicals Holding Company "ECHEM"	Major shareholder by 31.25 %
– Egyptian Natural Gas Holding CO."EGAS"	Major shareholder by 8.46 %
– Misr Insurance Company	Major shareholder by 1.15 %
– Egyptian Nitrogen Products Company "ENPC"	Affiliate company by 99.9 %
– Suez Methanol Derivatives Company	A demerged company (subsidiary to the holding company of petrochemicals)

B- Related parties' transactions

The following is a summary of transactions with related parties:

Description	Nature of transactions In EGP	The financial year ended in 31/12/2023	31/12/2022
Misr Insurance Company	Insurance services	21 194 988	11 748 904
Egyptian Natural Gas Holding CO."EGAS"	Gas Supplier	183 676 091	-
Egyptian Nitrogen Products Company	Payments on behalf of the company/cost and expense apportionment agreement	579 454 488	429 346 064
	Loan interest	10 078 262	119 134 260
	Dividends "Equivalent in EGP"	1 530 854 436	628 973 053
Suez Methanol Derivatives Company	Services rendered / Payments on behalf of the company. demerged	947 683	2 329 565

* On December 9, 2015, the company signed an agreement for the operating cost's allocation over the subsidiary company's factories "Egyptian Nitrogen Products Company- ENPC", for cost saving, and for the optimal utilization for both of company's resources, and operating expense. According to the agreement the workers of the company will be used to operate the subsidiary company's production lines, therefore, two thirds of the direct, and indirect labor cost in case of operating two production lines of the subsidiary company, in addition of incurring two thirds of all the contracts' costs and services expenses that serve the two companies. The agreement was activated on January 1, 2016.

* Each company incurs the cost of direct service and procurement contracts. In the case of joint contracts which serves both companies together, the cost is allocated by the percentage of one third to the parent company and two thirds for the subsidiary for example (the cost of employee transportation contracts – security contracts – administrative building rent contracts)

* On December 15, 2019, MOPCO and ENPC agreed to cancel the work of the aforementioned agreement, and another agreement was concluded, where two-thirds of the costs incurred by the parent company were limited to the service contracts that serve the two companies together, and any new contracts to be agreed upon in the future. The new agreement was activated on 01/01/2020.

* Related parties are dealt with at market value at the time of the transaction

C- The following balances resulted from the above transactions:

Due from related parties

In Egyptian pound	**31/12/2023**	**31/12/2022**
Egyptian Nitrogen Products Company "merged company"	-	72 826 906
Suez Methanol Derivatives Company	1 595 449	647 766
Expected credit losses	(1 595 449)	-
	-	**73 474 672**

The balance of the subsidiary's (ENPC) loan was not included on 2023 as a result of the merge.

16- Cash at banks and on hand

In Egyptian pound	**Note no.**	**31/12/2023**	**31/12/2022**
Banks current accounts		173 490 835	218 355 650
Time Deposits		7 645 565 364	4 167 655 973
		7 819 056 099	**4 386 011 623**
Expected credit losses	(33)	(4 298 827)	(1 664 562)
		7 814 757 372	**4 384 347 061**

17- Current income tax

In Egyptian pound	**31/12/2023**	**31/12/2022**
Merging company current income tax	2 053 168 163	1 002 183 284
Merged company income tax	642 733 021	-
Tax differences	-	9 438 121
Payments on account of tax	(3 374 634)	(5 000 000)
Merging company withholding tax	(25 313 540)	(28 363 880)
Merged company withholding tax	(53 333 083)	-
Balance	**2 613 879 927**	**978 257 525**

18- Lease liabilities

The present value of the total obligations arising from the rights of use is as the following:

In Egyptian pound	**31/12/2023**	**31/12/2022**
Merging company beginning balance	49 332 395	34 786 325
Merged company balance	93 481 658	-
Interest during the year	2 142 560	1 529 430
Translation difference	12 569 267	18 590 804
Payments during the year	(9 049 012)	(5 574 164)
	148 476 868	**49 332 395**
Current lease liability	20 765 534	5 708 337
Non-current lease liability	127 711 334	43 624 058
	148 476 868	**49 332 395**

19- Trade Payables

In Egyptian pound	**31/12/2023**	**31/12/2022**
Gas supplier (GASCO)	88 025 393	253 986 792
Other suppliers	146 637 156	58 271 217
Egyptian Natural Gas Holding CO."EGAS" *	6 763 264	-
	241 425 813	**312 258 009**

- Egyptian Natural Gas Holding Co. shareholder of the company with share percentage of 8.46%.

20- Creditors and other credit balances

In Egyptian pound	31/12/2023	According to a decision GAFI 31/12/2022
Deposits from others	33 810 865	21 678 496
General Authority for Health Insurance	54 506 407	25 507 128
Value added tax	898 852	18 692 811
Due to the minor shareholders from shares selling auction	6 903 626	6 998 952
Shareholder dividends payable	3 706 014	3 440 590 903
Employee dividends payable	-	200 584 514
Board of Directors dividends payable	-	13 531 228
Other credit balances	8 440 686	12 133 566
Credit balances to other companies	40 698 247	991 131
Salary tax	36 912 421	12 743 678
Accrued social insurance	3 651 274	2 943 900
Accrued expenses	103 924 972	17 335 626
Withholding tax	2 231 747	3 879 500
Employees' credit balances	-	29 426 923
	295 685 111	**3 807 038 356**

21- Provisions

In Egyptian pound	Balance as at 01/01/2023	Balance of the merged company"	Formed	Currency differences	Provision no longer required	Balance as at 31/12/2023
Claims provision*	48 905 940	348 817 667	14 130 822	9 438 908	(139 690 970)	281 602 367

*Information related to provisions were not disclosed, which usually is disclosed according to Egyptian accounting standards No. 28 because the company's management believes that such disclosure will impact the negotiation results with other parties.

22- Share Capital

A- Authorized capital

- The Company's authorized capital is amounting to EGP 2 040 million (two billion and forty million Egyptian Pound).
- On May 4, 2014, according to the extraordinary assembly general meeting the Company decided to increase the authorized capital to be EGP 2 300 million (2 billion and 3 hundred million Egyptian Pound) and it was registered in the commercial register of the company which dated January 28, 2015.
- The extraordinary general assembly decided in its meeting held on November 4, 2023 to specify authorized capital to an amount of 50 billion EGP and this was noted in the commercial register on December 13, 2023.

B- Issued and paid-up Capital

- The issued and paid-up capital as of December 31, 2023, amounted to EGP 20 792 million (twenty billion and seven hundred ninety-two million Egyptian Pound), on December 31, 2014 amounted to EGP 1.992 million (one billion and nine hundred ninety-two million Egyptian Pound), and on December 31, 2010 amounted to EGP 1 984 million (one billion and nine hundred eighty-four million Egyptian Pound). During year 2011 the amount of the overdue installments was paid. Therefore, the issued capital was fully paid and was recorded in the commercial register on June 9, 2011, which has previously registered in the commercial register on January 26, 2009, as a result of the acquisition of Egyptian Nitrogen Products Company "ENPC" (S.A.E), this acquisition according to the shares exchange with the shareholders of Egyptian Nitrogen Products Company "ENPC" based on the evaluation prepared for this purpose which results in a fair value for the two companies amounted to US Dollars 1 266 million. Therefore, the Company's extraordinary general assembly dated November 8, 2008, decided to increase the Company's capital by 100% in favor of the shareholders of Egyptian Nitrogen Products Company "ENPC". Also, decided the acquisition of Egyptian Nitrogen Products Company "ENPC" and record the investment by the nominal value of the share at EGP 10 each.

- On May 4, 2014, the ordinary general assembly decided to increase the capital of the company with amount of EGP 298 484 560 through the distribution of free shares through the dividend's payments for the profit of the financial year ended December 31, 2013, accordingly the issued capital becomes EGP 2 291 172 320 distributed among 229 117 232 shares with a share value of EGP 10 recorded in the commercial register of the company dated January 28, 2015.
- On November 4, 2023 the extraordinary general assembly decided to specify the company's issued capital to an amount of 20 791 840 110 EGP (twenty billion seven hundred ninety-one million eight hundred and forty thousand one hundred and ten Egyptian pound) which was distributed on 2 079 184 011 share at par value 10 EGP and this was noted in the commercial register on December 13, 2023.
- **The structure of the shareholders of the Company is as follows**:

Shareholder	**%**	**No. Of shares**	**Amount EGP**
Egyptian Petrochemicals Holding Co. "ECHEM"	31.25%	649 688 028	6 496 880 280
The Saudi Egyptian Investment Company	25.56%	531 439 433	5 314 394 330
Abu Dhabi Investment Holding Company (Alfa Oryx Limited)	20%	415 836 802	4 158 368 020
Egyptian Natural Gas Holding Co. "EGAS"	8.46%	176 665 978	1 766 659 780
The Arab Petroleum Investments Corp. "APICORP"	3.03%	63 072 154	630 721 540
IPO	11.70%	242 481 616	2 424 816 160
	100%	**2 079 184 011**	**20 791 840 110**

C- General reserve

This amount EGP 352 383 742 represents the amount transferred to the general reserve from the total shareholders' equity according to the decision of the head of The General Authority for Investment and Free Zones no. 65 S for year 2013, which authorized the establishment of the demerged company in Suez as a result of the split of Misr Fertilizers Production Company ''MOPCO''.

D- Result of the merge

Represents the increase in the value of investments in the merged company, amounting to 22,188,624,057 Egyptian pounds, according to the economic performance report based on the book value according to the financial statements of the merged company as of December 31, 2022 and as amended as follows:

- The share of non-controlling shares.
- Translation differences for balances until the date of write-off on December 13, 2023.
- Tax on the impairment in the value of inventory in the two companies.
- Cancellation of unwritten licenses in the merged company

It is the increase in the value of investments in the merged company, amounting to 22,188,624,057 Egyptian pounds, according to the economic performance report based on the book value according to the financial statements of the merged company as of December 31, 2022 and as amended as follows:

- The share of non-controlling shares.

- Translation differences for balances until the date of write-off on December 13, 2023.
- Tax on the decrease in the value of inventory in the two companies.
- Cancellation of unwritten marine pier licenses in the merged company.

Description **In Egyptian pound**	**31/12/2023**
The balance according to economic performance report	22 188 624 057
Net equity of the merged company	9 911
Translation difference of the merged company	4 190 452 281
Deferred tax on impairment of inventory in both companies	69 966 649
Cancellation of the licenses of the marine pier of the merged company	(21 740 553)
Impairment in the value of inventory in the merging company	(37 082 046)
Total	**26 390 230 299**
Transferred to capital	(18 500 667 790)
Balance at 31/112/2023	**7 889 562 509**

23- Deferred Tax liabilities

In Egyptian pound	**31/12/2023**	**31/12/2022**
Fixed assets and other assets of the merging company	98 598 294	145 498 080
Fixed assets and other assets of the merged company	6 600 114 971	-
Foreign currency translation differences	298 706 880	1 000 511 630
Employee benefits provision	(69 918 537)	-
Impairment in the value of inventory	(69 966 649)	-
Provisions	(3 700 025)	(8 036 708)
Lease liabilities of the merged company	(1 223 695)	-
	6 852 611 239	**1 137 973 002**

- Deferred tax on the provision of employee benefits in the amount of 14 082 201 Egyptian pounds related to the year 2023 was recognized on the statement of profits or losses, and the amount of 55 836 336 Egyptian pounds related to the year 2022 was recognized in the retained earnings.
- Deferred tax on the impairment of inventory is a tax related to the result of the merge.

24- Employee benefits obligation:

24-1 Plan description:

The company applies a defined benefits plan that is not funded at present value, and the amounts paid upon the end of employees' services are calculated in accordance with the plan on the basis of what the company actually bears in terms of treatment for retirements employees.

In Egyptian pound	**31/12/2023**	**31/12/2022**
Balance in 1 Jan 2023	248 161 494	-
Current service cost	35 159 004	-
Interest expense	28 903 630	-
Payments	(1 475 075)	-
	310 749 053	**-**
Employee benefits obligation (non-current)	3 291 062	-
Employee benefits obligation (current)	307 457 991	-
	310 749 053	**-**

*For the year 2023, the amount of 62,587,559 pounds after deducting what has been paid, and for the year 2022 and before, it is 248,161,494 pounds.

24-2 Amounts recognized in profit or loss statement:

In Egyptian pound	31/12/2023	31/12/2022
Current service cost	35 159 004	-
Interest expense	28 903 630	-
	64 062 634	**-**

Actuarial assumptions:

	31/12/2023	31/12/2022
Discount rate	14.56%	14.56%
Inflation rate	15.7%	15.7%
Benefits increase rate	13%	13%

-The expected benefits through the next five years:

The first year	2 213 332
The second year	3 291 062
The third year	4 704 645
The fourth year	6 304 800
The fifth year	8 480 376
The next five years	87 793 627

-Sensitivity analysis of actuarial assumptions:

	Change in assumptions		Change in benefits	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate	%0.5	%0.5	(226 959 899)	272 093 736
Discount rate	%0.5	%0.5	270 982 329	(227 854 504)

25- Net Sales

In Egyptian pound	31/12/2023	31/12/2022
Domestic Sales	2 264 582 870	2 543 286 476
Export Sales	3 694 970 474	4 448 907 154
	5 959 553 344	**6 992 193 630**

Sales of the merged company was included from the date of merge on December 13, 2023.

Segment reports:

The chief operating decision maker has been identified as the Company's Board of Directors. The Board of Directors reviews the Group's internal reports in order to assess its performance and allocate resources, mainly from a geographical perspective.

The following information is provided on a regular basis to the chief operating decision maker and is measured consistently with the financial statements.

	31/12/2023 In Egyptian pound			31/12/2022 In Egyptian pound		
	Urea	Ammonia	**Total**	Urea	Ammonia	**Total**
Domestic	1 609 400 235	655 182 635	**2 264 582 870**	1 547 311 160	995 975 316	**2 543 286 476**
Export	3 503 446 269	191 524 205	**3 694 970 474**	4 173 716 938	275 190 216	**4 448 907 154**
	5 112 846 504	**846 706 840**	**5 959 553 344**	**5 721 028 098**	**1 271 165 532**	**6 992 193 630**

26- Cost of Sales

In Egyptian pound	**31/12/2023**	**31/12/2022**
Gas	1 980 408 370	2 297 537 447
Other materials	165 280 385	118 534 573
Salaries and wages	192 524 735	123 415 843
Depreciation and amortization	248 556 093	137 177 504
Security expenses	23 045 336	14 243 392
Factory insurance expenses	20 242 986	11 388 919
Maintenance expenses	30 091 088	14 170 609
Governmental fees and industrial security permits	5 503 989	5 988 728
Technical labor and external cleaning	37 830 709	13 397 088
Transportation expenses	5 209 576	8 524 991
Employee benefits obligation expense	21 211 410	-
Other expenses	5 417 877	3 250 911
	2 735 322 554	**2 747 630 005**

27- Other income

In Egyptian pound	**31/12/2023**	**31/12/2022**
Other income	15 296 366	8 056 640
Provision no longer required	139 960 970	1 004 989
	155 257 336	**9 061 629**

28- Selling and marketing expenses

In Egyptian pound	**31/12/2023**	**31/12/2022**
Packaging materials	92 562 391	53 345 016
Salaries and wages	22 301 736	14 692 392
Depreciation	6 404 082	3 535 635
Products shipping and transportation expenses	27 836 058	21 529 916
Advertising	659 885	555 178
Employee benefits obligation expense	3 334 615	-
Other expenses	7 388 685	5 722 565
	160 487 453	**99 380 702**

29- General and administrative expenses
In Egyptian pound

In Egyptian pound	31/12/2023	31/12/2022
Administrative salaries and wages	94 941 665	60 845 814
Contribution to comprehensive health insurance	22 784 906	25 507 128
Administrative depreciation	13 955 336	14 680 487
Public relations expenses	5 587 241	3 608 948
Allowances, travel and buffet expenses	8 186 560	7 220 424
Security and cleaning expenses	11 870 583	7 581 234
Government fees and subscriptions to foreign and local authorities	11 916 609	2 825 144
Electricity and water	5 989 419	3 211 093
Attendance allowances for BOD	1 392 500	2 045 500
Maintenance expenses	3 395 498	1 619 425
Insurance expenses	1 203 395	113 743
Professional and consulting fees	8 088 835	6 362 772
Other tax expenses	668 304	2 319 394
Employee benefits obligation expense	10 969 149	-
Other expenses	12 316 360	4 708 639
	213 266 360	**142 649 745**

30- Other Expenses

In Egyptian pound	31/12/2023	31/12/2022
Donation	22 477 113	23 870 488
Provisions formed	14 130 822	37 343 967
	36 607 935	**61 214 455**

31- Finance cost:

In Egyptian Pound	31/12/2023	31/12/2022
Lease liability interest	2 142 560	1 529 430
Employee benefits interest	28 903 630	-
	31 046 190	**1 529 430**

32- Finance income:

In Egyptian pound	31/12/2023	31/12/2022
Credit interest (subsidiary company's loan)	10 078 261	119 134 260
Revenue from financial assets at amortized cost "Treasury bills"	199 629 406	34 666 950
Revenue from financial assets at amortized cost" Government bonds"	27 290 487	-
Revenue from financial assets at Fair value through profit or loss "investment funds"	5 506 122	-
Other credit interest	637 067 910	138 029 093
	879 572 186	**291 830 303**

33- Expected credit losses

In Egyptian pound	Note no.	01/01/2023	Balance of "The Merged Company"	Formed	31/12/2023
Cash and cash equivalent		1 664 562	711 012	1 923 253	4 298 827
Accounts receivable		133 621	179 807	69 907	383 335
Related parties		-	-	1 595 449	1 595 449
Debtors and other debit balances		-	37 719	718 285	756 004
Other financial assets		51 311	-	111 246	162 557
		1 849 494	**928 538**	**4 418 140**	**7 196 172**

*Expected credit losses on financial assets are calculated according to the expected credit loss model according Egyptian accounting standard no 47 .

34- Income tax

In Egyptian pound	31/12/2023	31/12/2022
Current tax		
Current income tax	2 053 168 163	1 002 183 284
Subsidiary company dividend tax	154 570 443	72 985 262
Independent tax base	39 925 881	6 933 535
Tax differences	-	9 438 120
Current income tax	**2 247 664 487**	**1 091 540 201**
Deferred income tax		
Fixed and other assets	(46 899 785)	(23 407 613)
Foreign currency translation differences	(701 804 751)	649 383 507
Deferred tax on comprehensive income items	-	(649 383 507)
Provision for employee benefits obligation	(14 082 201)	-
Other Provisions	4 336 685	(4 874 462)
Lease liability	-	154 663
Deferred income tax	**(758 450 054)**	**(28 127 412)**
Income tax	**1 489 214 435**	**1 063 412 789**

Adjustments to calculate income tax effective tax rate:

In Egyptian pound	31/12/2023	31/12/2022
Profit before income tax	**7 463 570 833**	**4 897 930 800**
Income tax as per tax law "22.5%"	**1 679 303 437**	**1 102 034 430**
Non-deductible expenses	5 442 139	21 340 442
Revenue exempted from tax	(351 821 485)	(149 319 001)
Tax dividend collected	154 570 443	72 985 263
Independent tax pool	39 925 881	6 933 535
Tax differences	-	9 438 120
Provision	(38 205 990)	-
Current income tax	**1 489 214 435**	**1 063 412 789**
Effective tax rate	**19.95%**	**21.71%**

35- Basic and diluted earnings Per Share

In Egyptian pound	31/12/2023	31/12/2022
Net profit for the period	5 974 356 398	3 834 518 011
Dividends to Shareholders	-	(3 436 758 480)
Dividends to employees	-	(200 584 514)
Dividends to board of directors	-	(13 531 228)
	-	(3 650 874 222)
	5 974 356 398	183 643 789
Weighted average no. of shares	2 079 184 011	2 079 184 011
	2.87	**1.84**

- The number of ordinary shares has been increased from 229 117 232 shares to 2 079 184 011 shares on the date of registration in the company's commercial register on December 13, 2023.
- The net profit was not affected by the value of the dividends for the year 2023 until the approval of the Ordinary General Assembly for the distributions.

36- Fair value of financial instruments and management of its related risk:

Financial instruments are represented in financial assets (balances of cash and cash equivalent, subsidiary loan, due from related parties, advance payment suppliers and monetary items included in the debtors and other debit balances) in addition to financial liabilities (due to related parties, and monetary items included in creditors and other credit balances). According to the basis of evaluation applied to the Company's assets & liabilities, the carrying amounts for these financial instruments provide a reasonable estimate of their fair values.

- Interest risk
- Foreign exchange risk
- Credit risk
- Liquidity risk

A. Interest rate risk

This risk is represented in the effect of changes in interest rates adversely on the value of the company's assets and liabilities. The company's management invests its cash investments in channels with fixed interest rates and for short-term periods in order to avoid the adverse effect of interest rate changes on the value of its assets and the return on them. The company follows up and analyses the interest rate risks regularly and calculates the impact of movements in market interest rates on the statement of profit or loss. The following table shows the balances of financial assets at the date of the financial position with fixed and variable interest rates.

Fixed interest rate

In Egyptian pound	31/12/2023	31/12/2022
Time deposits	7 645 565 364	4 167 655 973
Financial assets at amortized cost	7 118 280 851	-
Financial assets at fair value through profit or loss	620 378 810	-
	15 384 225 025	**4 167 655 973**

Variable interest rate	31/12/2023	31/12/2022
Loan to subsidiary	-	3 865 121 485
	-	**3 865 121 485**

B. Foreign exchange risk

The company carries out some of its operational activities in foreign currencies, and therefore the company is exposed to the risk of fluctuations in foreign currencies with regard to payment schedules or collection of obligations or rights in currencies different from its own recording currency.

These obligations and rights are usually related to operational spending that is made with suppliers in currencies other than the Egyptian pound and revenues arising from some services rendered to clients abroad in addition to the loan balance granted to the subsidiary in US dollars. The company monitors the risk of fluctuations in foreign currencies arising from operational activities.

At the end of the financial position, the net assets / (liabilities) of the main foreign currencies adjusted in Egyptian pounds, are as follows:

Financial assets	**Foreign currencies**	**Equivalent in Egyptian pound**
USD	424 073 589	13 107 096 859
EURO	303 841	10 371 004

Financial liability	**Foreign currencies**	**Equivalent in Egyptian pound**
USD	(2 692 680)	(83 224 276)
EURO	(8 564)	(292 315)

Below are the major foreign exchange rates

	Closing rate		Average rate	
In Egyptian pound	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12/2022**
USD	30.9076	24.7599	30.3023	18.9704
EURO	34.1330	26.4959	32.7023	19.9831
Sterling pound	39.3886	29.9397	37.6352	23.3863

- The Central Bank of Egypt decided, in its session held on October 27, 2022, to announce the implementation of a flexible exchange rate system for pricing foreign exchange, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on the conditions of supply and demand, and accordingly the exchange rate of the US dollar and other currencies increased in exchange for The Egyptian pound, which led to its increase from 19.69 to about 30.9076 Egyptian pounds at the end of December 31, 2023 .

C. Credit risk

- The credit risk for the company is related to the failure of the contracting parties to fulfill contractual obligations, especially with regard to balances due from customers, financial instruments, bank balances and the like.

All customers' balances have been collected during the subsequent period from the date of issuance of the financial statements.

It is possible to analyze the credit risks to which the company is exposed at the level of each sector as follows:

Local customers:

The credit risk of local customers is limited, as local customers are granted a credit period of up to 15 days from the date of issuing the invoice, as credit customers are inquired before agreeing to grant them the said period to ensure the creditworthiness of those companies.

Foreign customers:

The credit risk of external customers is limited because most of the company's external customers are reputable customers and sales are made to them in exchange of letters of credits or advance payment policy.

Cash balances at banks:

The credit risk associated with cash balances and cash equivalents is a very limited risk, as the group deals with banks with a good reputation in the market.

In Egyptian pound	Note no.	31/12/2023	31/12/2022
Financial assets at amortized cost	(7)	7 118 280 851	-
Financial assets at fair value through profit or loss	(8)	620 378 810	-
Subsidiary loan	(9)	-	6 007 174 144
Other financial assets	(10)	588 141 794	222 386 871
Accounts receivable	(12)	727 877 314	483 505 865
Debits and other debit balances	(13)	240 052 060	63 111 984
Due from related parties	(14)	-	73 474 672
Cash at banks and on hand	(15)	7 814 757 372	٤ ٤٨٣ ٣٤٧ ٠٦١
		17 109 488 201	**11 234 000 597**

D. Liquidity risk

Liquidity risk is represented in the factors that may affect the company's ability to pay all its obligations. The management monitors each of the liquidity risk resulting from the uncertainty associated with the cash inflows and outflows by maintaining an adequate level of cash balances.

37- Contingent liabilities

The value of letters of guarantee and letters of credit issued by banks for the Company and for the benefit of third parties on December 31, 2023 amounted to 8.983 million US dollars, and the value of the cash cover withheld on account of those letters of guarantee and credit amounted to 100% of their value, which is included in other financial assets and the goods in transit.

38- Capital Commitments

Capital commitments are represented in the value of contracts that the company signed to gain or construct a fixed assets and still not yet completed as at December 31, 2023. The following table shows these significant contracts:

	Total contract value as at 31/12/2023	Completed contracts as at 31/12/2023	Incomplete contracts as at 31/12/2023
Contracts in Egyptian pound	134 750 405	110 323 973	24 426 438
Contracts in USD	2 188 804	500 177	1 688 627
Contracts in EURO	6 500 000	-	6 500 000

39- Tax Position

A. Corporate Tax

- Misr Fertilizers Production Company- MOPCO, an Egyptian joint stock company, was established under the provisions of law no. 8 of 1997. The Company was registered in the commercial register under the no. 33300 Suez on the date July 26, 1998, with Tax registration number 205/022/790 and accounted for through the center of key taxpayers.

Years from 1999 to the year ending December 31, 2021:-

- The Company has been inspected and the tax differences were settled.

- **Year 2022**

The Company submitted the tax returns according to law No. 91 for year 2005 and its amendments in the legal due dates.

B. Salaries tax

– **Years from the beginning of the activity till year ended December 31, 2020**

- The Company has been inspected and the tax was paid.

– **Years from 2021 till 31/12/2023:**

- The Company is regularly deducting the tax and remitting it regularly on legal dates. Also, the company regularly applies the provisions of Law No. 91 of 2005 and its executive regulations, and Law No. 206 of 2020.

C. Stamp tax

Years from the beginning of the activity till year ended December 31, 2021

- The Company has been inspected, and the tax was paid.

D. Sales tax and Value added tax

Years from the beginning of the activity till year ended December 31, 2021

- The Company has been inspected and the accrued additional tax differences were paid.

– **Years from 2022 till 31/12/2023:**

- The company regularly applies Law No. 67 of 2016 and Law No. 6 of 2020, and submits monthly value added tax returns on the legal due dates.

E. Property tax

- The company is subject to property tax starting from June 1, 2013:
  - Letter of the Kafr Al-Batikh Property tax office was received to enable them to conduct an inspection of the Company's industrial facilities.
  - The committee attended, and the inspection was conducted in light of a full explanation and description of the facilities.
  - The Company regularly pays the property tax.
  - The Prime Minister's Decision No. 61 of 2022 stipulated that the Ministry of Finance bear the full value of the tax on built-up properties used in the practice of industrial activities mentioned exclusively in the decision, which includes the company's activity, starting from 1/1/2022 for a period of three years.

- **Tax position of the merged company:**

A- Corporate tax

- The Egyptian Company for Nitrogen Products (ENPC) was established as an Egyptian joint stock company in accordance with the provisions of Law No. 8 of 1997 issuing the Investment Guarantees and Incentives Law, the company was registered in the commercial register under No. 17968 dated 5/3/2006 and its tax registration number 036/456/237 and it is charged at the tax center of major financiers.
- In accordance with the provisions of Law No. 114 of 2008 dated May 5, 2008, all licenses for investment projects in the system of private free zones in the field of fertilizer industry have been terminated, and accordingly, from this date, the company does not enjoy the provisions of special free zones.

Years from beginning of activity till 2012

The company was inspected and the tax was paid.

Years 2013/ 2016

The company were inspected and assessment was made.

Years 2017/2019

The company was inspected and the company appealed the forms of 19 taxes within the legal deadlines and the books were reinspected of the company was completed and the result of the re-inspection was issued under the re-inspection note.

Years 2020/2022

The company's tax return was submitted in accordance with the provisions of Law No. 91 of 2005 and its amendments within the legal deadlines and is being prepared for examination of these years.

Financial year 2023:

Preparations are underway to submit a tax return until the date of cancellation of the company's commercial register in accordance with the provisions of Law No. 91 of 2005 and its amendments within the legal deadlines.

B- Salaries tax

Years from beginning of activity to 2020

The company were inspected and the tax were paid.

From 1/1/2021 to 31/12/2022:

The company is regular in deducting tax and submits it regularly on the legal dates in accordance with the provisions of Law No. 2005 and its executive regulations and Law No. 206 of 2020, and preparations are underway to examine these years.

From 1/1/2023 to 31/12/2023

The company is regular in deducting tax and submits it regularly on the legal dates in accordance with the provisions of Law No. 91 of 2005 and its executive regulations and Law No. 206 of 2020.

C- Sales and value added tax:

Years from beginning of activity to 2015

The company was inspected and tax differences were settled

From 1/2016 to 12/2017:

The company was examined for these periods referred to and resulted in the company's failure to provide some export letters (Form No. 13 export) the issuance of Form 15 V.A.T with a tax entitlement of 48 million Egyptian pounds and the differences were settled from the credit balance and the company paid the rest of the examination differences in the amount of 26.6 million Egyptian pounds, the company appealed to Form 15 V.A.T and the dispute was referred to the internal committee, the company provided the aforementioned documents and the examination differences were reduced to the amount of 13,066,169 Egyptian Pound .

From 1/2018 to 12/2021

The company was examined for these periods referred to and forms 15 V.A.T were issued.

From 1/2022 to 12/2023

The company is regular in applying the provisions of Law No. 67 of 2016 and Law No. 206 of 2020 and submitting monthly VAT returns on the legal dates.

D- Stamp tax

From beginning of activity to 2020

The company was inspected and the tax was paid.

From 1/1/2021 to 13/12/2023

The company was not inspected to date.

E- Withholding tax

The company is regular in the application of the provisions of Law No. 91 of 2005 regarding deduction and collection under the tax account.

40- Disputes

40-1 The New Urban Communities Authority and the New Damietta Development and Reconstruction Authority filed Case No. 1486 of 2012, Kafr Saad against each of the Egyptian Petrochemical Holding Company (Echem) as a first defendant and the Company as a second defendant, in which the plaintiffs demanded that the second defendant (the company) be required to pay a value for the right of use of a land area of 608,324 square meters east of the navigational canal, which belongs to the subsidiary company "The

Egyptian Company for Nitrogen Products ENPC" at an amount of 157 million pounds, in addition to interest and compensation. / month), which is contrary to the applicable law (6 pounds / meter / year). The company's management believes that the Urban Communities Authority is not entitled to claim these values. On 1/2/2015, the company signed a memorandum of understanding with the Ministry of Defense according to which the following was agreed upon:

 The company agrees to end the existing dispute with the New Urban Communities Authority with the authority receiving the plot of land and paying the subsidiary the rent due on it.

 The Ministry of Transport / Damietta Port Authority provides an alternative site for the dock land with a guarantee from the competent authorities to renew all necessary approvals and licenses from the concerned authorities for the new site and renew the license of the Prime Minister No. (555) for the year 2007 for the new site as well as providing a suitable space behind the dock for storage and to provide a service corridor between the dock and the factory.

- Compensating the subsidiary for a piece of land it owns by giving it an alternative piece of land.

- Compensating the subsidiary for the losses and costs it incurred because of evacuating the sites.

A ruling was issued obligating the company to pay the amount of thirty-eight million and seven thousand pounds, and the ruling was appealed.

MOPCO and the Egyptian Company for Nitrogen Products appealed the ruling before the Court of Appeal, which decided to reject the two appeals and uphold the appealed ruling without prejudice to the company's right to appeal within the legal period against the ruling before the Court of Cassation within the legal deadlines.

In January 2022, the company settled and appealed in cassation, which does not stop the execution of the ruling and did not set a session to consider the appeal to date.

40-2 The company received a claim from Petrotrade in the amount of 4 million pounds represented in the interests of delay in the payment of gas bills. The company and its legal advisor consider that Petrotrade has no right to claim the delay benefits according to the gas supply contract.

40-3 On 16/12/2019, the company filed suit No. 53592 for the year 75 against both - the Minister of Investment - the head of the General Authority for Investment and Free Zones - the head of the central management of the public free zone in Damietta before the Administrative Court, in order to cancel the decision of the Board of Directors of the General Authority for Investment to increase In exchange for the right of use of the factory land in the free zone in Damietta from $1.75/m2 annually to $5/m2 annually, and the requirement to fix the right of use consideration throughout the project license period (25 years) starting from 2005 and ending in 2030 according to the contract concluded between the two parties.

The court decided to accept the lawsuit in form and in the matter, acquitting the company of the amount claimed by the General Authority for Investment and Free Zones and obligating the defendant to pay the expenses.

The General Investment Authority has appealed the ruling, and a hearing has not yet been set for the ruling.

- The Council of Ministers issued a decision on 10/12/2023 obliging the General Authority for Investment and Free Zones to fix the annual rental value of the price per square meter at $ 1.75.

41- Significant Events

- The Ordinary General Assembly of the Egyptian Company for Nitrogenous Products was held on November 2, 2023, which approved the removal of the company from the commercial register, and the Assembly also acquitted the members of the Board of Directors of the Egyptian Company for Nitrogen Products for the fiscal year 2023 until the date of the Assembly.

– - The extraordinary general assembly decided on November 4, 2023 the merge of the Egyptian Nitrogen Products Company (ENPC) a merged company with Misr Fertilizers Production Company (MOPCO) a merging company and that on book value basis in accordance to the financial statements on December 31, 2022 which is the date used as a base for merge in accordance to the report issued by the economic performance at the General Authority for Investment and Free Zones by the formed committee in accordance to the decision of the Minister of Investment and International Cooperation No. 95 of 2018. The committee's decision was approved by the Chief Executive Officer of General Authority for Investment and Free Zones on September 21, 2023 with the distribution of the capital of the merging company and the merged company on the basis of net equity of the merging company and the merged company according to the market value of the assets of the merging company and the merged company on the date used as a base for merge, and accordingly the distribution was as follows:

Company name	Book value	Market value	Percentage according to market value	Book value of equity
MOPCO	29 644 073 400	28 609 686 760	99.999968%	29 644 073 064
ENPC	9 286	9 287	0.000032%	6 623
	29 644 082 687	**28 609 878 047**	**100%**	**29 644 082 687**

42- Significant Accounting policies applied

42-1 1Foreign currency translation

The company's accounts are maintained (in Egyptian pounds), and transactions in foreign currencies are recorded in the books on the basis of the exchange rates in effect for foreign currencies at the time of recording the transactions. On the date of the financial position, the balances of monetary assets and liabilities in foreign currencies are translated into the currency of dealing using the exchange rates in effect on that date. Non-monetary balances that are measured on a historical cost basis in foreign currencies are translated using the exchange rate at the date of the transaction. Currency differences in profit or loss resulting from transactions during the year and from revaluation at the date of the financial position are included in the profit or loss statement.

42-2 Fixed Assets and their depreciation

Recognition and measurement

- Fixed assets that are used in production, providing goods & services or for administrative purposes are stated at historical cost less accumulated depreciation and cumulative impairment losses resulted from impairment in the values of fixed assets. Cost includes expenditures that are directly attributable to the acquisition of the asset and necessary to have the asset ready for use in the purpose for which the management decided asset to be acquired for.
- When parts of an item of fixed assets have different useful lives, they are accounted for as items (major components) of fixed assets.
- Assets are stated in the construction phase for production or for rent or for administrative purposes at cost less cumulative impairment losses. Cost includes professional fees and all direct costs related to the asset. Depreciation of these assets starts when they are completed and prepared for use in a specific purpose.
- The cost of internal constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs to acquisition

The cost of replacing a component of an asset is recognized in the cost of the asset after dispose the cost of that component when the company incurs the replacement cost and if it is probable that future economic benefits will flow to the company as a result of replacing this component, on condition of the possibility of measuring its cost with a high degree of accuracy. Other costs are recognized in the income statement as an expense when incurred.

Depreciation

- Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each type of asset or the useful life of major components of an item of fixed assets which are accounted for individually. (Land is not subject to depreciation). The estimated useful lives of the fixed assets for depreciation calculation are as following: -
-

	Merging company Depreciation rate	**Merged company Depreciation rate**
- Buildings and construction	4% - 25%	2.56%
- Vehicles and transportation	20%	20.%
- Machines, production lines*	5% - 20%	4%
- Tools and equipment	15%	14.29%
- Aid factors	10-50%	-
- Furniture and movables	10%	20%
- Central	15%	-
- Computers	25%	33.33%

- Fixed Assets are depreciated when it ready for use in the intended purpose.

* The Board of Directors No. 231, that held on October 2, 2013, approved by decision No.1094 to modify the useful lives of machines and equipment from 25 to be 20 years starting from January 1, 2013, in addition, agreed to modify the useful life of Gas Cooler from 20 to be 8 years by decision No. 1128 starting from January 1, 2014, and for three years.

Profit and loss from disposal of fixed assets:
Profit and losses from disposal of fixed assets are identified by comparing the disposal return with the net book value of the asset, and the resulting profits or losses are recorded in the statement of profit or loss.

42-3 Projects under construction

Projects under construction is recorded at cost less accumulated impairment in value, if any, and the cost includes all costs directly related to the asset and necessary to prepare the asset to the state in which it is operated and for the purpose for which it was acquired. Projects under construction are transferred to the item of fixed assets when they are completed and available for the purpose for which they were acquired, and then their depreciation begins using the same bases used in the depreciation of similar items of fixed assets.

42-4 Other assets

A. Recognition
Identifiable non-monetary assets acquired for business purposes and from which future benefits are expected to flow are treated as other assets. Other assets consist of the Company's contribution in assets not owned to it and serve its purposes, as gas pipeline.

B. Measurement
Other assets are measured at cost, being the cash price at recognition date.

If payment is deferred beyond the normal credit terms the difference between the cash price equivalent and the total payment is recognized as interest over the period of credit. Other assets are presented net of accumulated amortization and accumulated impairment losses

C. Subsequent expenditures
Subsequent expenditure on the acquisition of other assets is capitalized only when such expenditure increases the future economic benefits of the asset to which it relates. All other expenses are charged to the statement of profit or loss when incurred.

D. Amortization

Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of other assets. Other assets with indefinite useful live are systematically tested for impairment at each statement of financial position date. Other assets are amortized from the date they are available for use as following:

Description	Amortization
- The Company's contribution in assets not owned to it and serve its purposes.	20%
- Gas pipeline	4%
- Licenses and software	25%

42-5 Impairment in the value of tangible and intangible assets

The company, on an annual basis - or whenever necessary - reviews the book values of its tangible assets to determine whether there are indications or indications of a possible impairment in their value. If such indications are available, the group estimates the recoverable value of each asset separately in order to determine impairment loss in its value. If it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In the event that logical and fixed bases are used to distribute assets to cash-generating units, the general assets of the group are also distributed to those units. If this cannot be achieved, the general assets of the group are distributed to the smallest group of cash-generating units that the group can identify using logical and fixed basis.

With regard to intangible assets that do not have a specified default life or are not yet available for use, an annual test is conducted for impairment in their value, or as soon as there is any indication of the exposure of these assets to impairment.

The recoverable amount of the asset or the cash-generating unit is represented in the "fair value less costs to sell" or "value in use", whichever is greater.

The estimated future cash flows from the use of the asset or the cash-generating unit are discounted using a pre-tax discount rate to get the present value of those flows, which express their use value. This rate reflects current market estimates of the time value of money and the risks associated with that asset, which were not taken into account when estimating the future cash flows generated from it. If the estimated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is reduced to reflect its recoverable amount.

Impairment losses are recognized immediately in the income statement. And when the impairment loss recognized in previous periods is canceled out in a subsequent period, the book value of the asset (or cash-generating unit) is increased in line with the new estimated recoverable amount, provided that the revised book value after the increase does not exceed the original book value that could have been the asset would reach it if the loss resulting from impairment was not recognized in its value in previous years. Such reverse adjustment of impairment losses is recognized immediately in the profit or loss statement.

42-6 Revenue from contracts with customers

- The company has implemented Egyptian Accounting Standard No. 48 as of January 1, 2021

Egyptian Accounting Standard No. 48 replaces Egyptian Accounting Standard No. 11 "Revenue" and Egyptian Accounting Standard No. 8 "Construction Contracts" and related interpretations. EAS 48 deals with the recognition of revenue from contracts with customers as well as the treatment of additional costs incurred in obtaining a contract with a customer, which will be explained in more detail below.

• Egyptian Accounting Standard No. 48 states that revenue recognition depends on the following five steps:

Step 1: Define the contract with the customer

Step 2: Identify performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Revenue is recognized when (or whenever) the entity fulfills the performance obligation.

In addition, Egyptian Accounting Standard No. 48 includes disclosure of financial statements, with respect to the nature, amount, timing and uncertainty of revenue and related cash flows.

- Revenue recognition

The management evaluated the impact of applying the new standard on the company's financial statements, by applying the five-step model, and concluded that the current basis for revenue recognition is still appropriate because the only performance obligation is to deliver the sold quantities to its customers, whether local or foreign, as it is according to the contracts concluded with customers. The company transfers control over the quantities sold to customers according to the following:

A. Domestic sales

The date on which the goods were authorized to leave the company's gates.

B. Export sales

According to the shipping terms, which is usually the date of shipment at the port.

Therefore, management considers that the initial recognition of Egyptian Accounting Standard No. 48 has no significant change or impact on the company's accounting policies applied to its financial statements.

- The value of the revenue is measured at the fair value of the consideration received or due to the entity when there is sufficient expectation that there will be future economic benefits that will flow to the entity, and that the value of this revenue can be measured accurately, and no revenue is recognized in the event of uncertainty about the recovery of this revenue or associated costs.

42-7 Financial Instruments

Financial assets

As of January 1, 2021, the company has early applied the new Egyptian Accounting Standard No. 47 "Financial Instruments".

Classification

As of January 1, 2021, the Company classifies its financial assets into the following measurement categories:

• Those that will subsequently be measured at fair value (either through other comprehensive income or through profit or loss), and

• Those that will be measured at amortized cost.

The classification depends on the company's business model for managing those financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at FVTOCI.

The Company reclassifies its investments when and only when its business model for managing those assets changes.

Recognition and disposal

The usual way of buying and selling financial assets, on the trade-off date, is the date on which the company commits to buy or sell the financial asset. A financial asset is de-recognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and benefits of the ownership of the financial asset are transferred.

Measurement

On initial recognition, the Company measures the financial asset at its fair value plus or minus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognized as an expense in the statement of profit or loss.

Financial assets that contain embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories by which the company classifies debt instruments:

• **Amortized cost**: Assets held to maturity to collect contractual cash flows, as those cash flows represent only payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and are classified under other income / (expenses). Impairment losses are presented as a separate line item in the statement of profit or loss.

• **Fair value through other comprehensive income**: Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where cash flows of assets represent only payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit or loss and recognized in other income / (expenses). Interest income from these financial assets is included in financing income using the effective interest rate method, and impairment expense is presented as a separate item in the statement of profit or loss.

• **Fair value through profit or loss**: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and presented net within other income / (expenses) in the period in which they arise.

Equity tools

The Company subsequently measures all investments in equity instruments at fair value. And when the company's management chooses to present fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposing of the investment. Dividends from these investments continue to be recognized in the profit or loss statement as other income when the company's right to receive such distributions is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income / (expenses) item in the statement of profit or loss, as the case may be. Impairment losses (and the reversal of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are recognized separately from other changes in fair value.

Impairment

At the date of the financial statements, the Company assesses whether there is credit impairment of financial assets that are measured at amortized cost and securities that are measured at fair value through other comprehensive income. Credit impairment of a financial asset occurs when there is an event or detrimental events to the expected cash flows of the financial asset.

Evidence of credit impairment includes the following observable data:

- Breach of contract by defaulting on repaying the loan on the due date
- Restructuring the loan or advance payment from the company on terms that are not in the company's favor.
- It is probable that the borrower will go bankrupt or any other financial event, or the disappearance of an active market for the asset due to financial difficulties.

Provisions for financial assets at amortized cost are deducted from the total value of the asset.

Financial obligations

Financial liabilities are classified as either "at fair value through profit or loss" financial liabilities or other financial liabilities.

Other financial obligations

Other financial liabilities include loan balances, if any, accounts payable, balances due to related parties and other credit balances. The first financial liabilities are recognized at fair value (the value received) after deducting the cost of the transaction, provided that they are subsequently measured at amortized cost

using the effective interest rate and the distribution of interest expense on related periods on the basis of the effective return.
The effective interest rate method is a method of calculating the amortized cost of financial liabilities and of charging interest expense over the relevant periods.
The effective interest rate is the rate that exactly discounts future cash payments through the estimated life of the financial liability, or a shorter appropriate period

Derecognition of financial instruments from the books
A financial asset is derecognized when the company transfers substantially all the risks and benefits of ownership of the asset to a party outside the company. If the Company continues to control the transferred financial asset, then it recognizes the interest it retains in the asset and a corresponding liability representing the amounts it may have to pay.
But if the transaction results in the company retaining substantially all the risks and benefits of ownership of the transferred financial asset, then the company continues to recognize the financial asset, provided it also recognizes the amounts received as a loan against the guarantee of that asset.
Financial liabilities are derecognized when they are either settled, canceled or contractually expired.

Effective interest rate method
The effective interest rate method is used to calculate the amortized cost of financial assets that represent debt instruments and to distribute the return over the relevant periods. The effective interest rate is the rate on the basis of which future cash receipts are discounted (which includes all fees, payments or receipts between the parties to the contract, which are considered part of the effective interest rate as well as the transaction cost and any other premiums) over the estimated life of the financial assets or any appropriate shorter period.
The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profit or loss, where the return on them is included in the net change in their fair value.

42-8 Lease contracts

In January 1, 2021, the management made a detailed assessment of the impact of applying Egyptian Accounting Standard No. (49) on the company's independent financial statements.
- Egyptian Accounting Standard No. 49 replaced the previous Egyptian Accounting Standard No. 20 "Accounting Rules and Standards Related to Financial Leasing Operations". Under the new leasing standard, the assets leased by the Company are recorded in the Company's statement of financial position with the corresponding liability recorded.
- During the year 2021, the company made a detailed assessment of the impact of Egyptian Accounting Standard No. 49, and the impact of applying Standard No. 49 was as follows:
• The company, as a lessee, recognized the right of use asset and the lease contract obligations at the commencement date of the lease.
• With initial recognition, right of use has been measured as the amount equal to the initial measurement of the lease liability, adjusted for past lease payments, initial direct cost, lease incentives, and the discounted present value of the estimated liability for disposal of the asset. Subsequently, the right-of-use asset will be measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the right of use assets or the lease term, whichever is shorter.
• The lease liability was measured at initial recognition at the present value of the future lease and related fixed service payments over the lease term, discounted at the interest rate implicit in the lease or the company's incremental borrowing rate. Generally, the company uses the incremental borrowing rate as the discount rate. The subsequent lease liability is measured at amortized cost using the effective interest method.
• Right of use assets and lease contract liability are subsequently remeasured if one of the following events occurs:
-The change in the lease price due to the index or rate that became effective in the period of the financial statements.
- Amendments to the lease contract

- Re-evaluation of the lease term
- Leases that are short-term in nature (less than 12 months including extension options) and leases of low-value items will continue to be recognized as expenses in the profit or loss statement as incurred.

Transitional rules:

The company adopted the Egyptian Accounting Standard No. 49 calculated on the basis of the remaining period of the contract, and the comparison numbers were not modified, based on Paragraph C8 of the appendix to the standard regarding the rules regarding the effective date and the transitional rules.

42-9 Investments in the subsidiary company

- Investments in subsidiaries are accounted for at cost - and if some indications and indications of the possibility of impairment losses in the value of investment in subsidiaries appear on the date of the financial statements, the book value of those investments is reduced to their recoverable value and the resulting impairment losses are immediately included in the list of profits or losses.

42-10 Inventories

- Inventories are stated at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses. The cost of inventory is determined as follows: -
- Raw materials, supplies, fuel, oil and spare parts are valued at actual cost on the moving average basis.
- Catalysts are valued at the actual purchase.
- Finished goods and work in progress are valued at actual production cost which includes direct materials, direct labor and its share of manufacturing fixed and variable overheads.

42-11 Cash and cash equivalent

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, time deposits and treasury bills with maturity not exceeding three months and are represented net of banks - overdraft (if any) which is paid on demand and which is an integral part of the company's money management.

42-12 Contingent liabilities and Provisions

Provisions are recognized when there is an existing legal obligation or inferred from surrounding circumstances as a result of a past event and it is probable that an outflow of economic benefits will be used to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, then the value of the provisions is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks related to the obligation, if appropriate.

The balance of provisions is reviewed on the date of the financial position and adjusted (if necessary) to reflect the current best estimate

42-13 Employee benefits

1-Employee benefits:

A-Short Term Employee benefits:

- Wages and salaries Liabilities, including leave and allowances, expected to be paid in full within the twelve months following the end of the period during which employees provide the relevant service are recognized under employee services until the end of the disclosed financial period.
- They are measured on the basis of the amounts expected to be paid when the liability is settled, and the liabilities appear as current employee bonus liabilities in the statement of financial position.

B-Long term employee benefits:

-- Long-term employee benefits obligations are measured by the present value of the expected future payments that will be paid for the services provided by employees until the end of the disclosed financial period using the expected unit credit method and are recorded as a non-current liability and take into account the expected future increase in salaries and previous rates of workforce reduction and periods of service. Future payments are discounted using market returns at the end of the disclosed financial period on high-

quality corporate bonds and government bonds with terms and currencies that match as closely as possible the estimated future cash outflows.
- The re-measurement is recognized resulting from the actuarial assumptions in the statement of other comprehensive income.
Liabilities are presented as current liabilities in the statement of financial position unless the company has an unconditional right to postpone payment for a period of at least 12 months after the disclosed financial period, regardless of the date of actual payment.

B-1 Health care after retirement (Defined Benefit Plan):
- The company provides post-retirement health care benefits to eligible retirees and their dependents throughout their lives and accrues the expected costs of these benefits over the period of employment using a similar accounting method as that used in defined benefit programs.
- Remeasurement gains and losses resulting from adjustments and changes based on actuarial assumptions are charged to the statement of other comprehensive income in the period in which they arise, and the obligations are evaluated annually by an actuarial expert.
Accounting for these programs requires the Company to make certain assumptions regarding discount rates used to measure future liabilities and expenses, inflation rates, trend rates for health care costs and mortality, and other assumptions, and these assumptions are subject to change significantly.
Actuarial valuations, market conditions, and changes in contracted benefits. The testing of assumptions is based on past trends and future estimates based on economic and market conditions at the valuation date. However, actual results may differ materially from the estimates based on the significant assumptions used.

B-(2) End of service benefits upon retirement on a pension:
The actuarial evaluation process takes into account the provisions of the work system and company policy.

The net liability recognized in the stated statement of financial position for the post-employment defined benefit program represents the present value of the expected defined benefit obligation less the fair value of the program assets (if any) at the date of the financial statements.
Defined benefit obligations are remeasured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates for high-quality corporate bonds that are denominated in the currency in which the benefits are paid and that have maturity periods similar to the duration of the relevant obligations.
In countries where there are no markets for such types of bonds, market rates for government bonds are used.
The net interest cost is calculated by applying discount rates to the net balance of the defined benefit obligation and the fair value of the program assets, if any.
Current service costs are calculated using the actuarially determined pension cost rate at the end of the previous year adjusted to account for significant market fluctuations and any significant non-recurring events such as plan modifications, curtailments and adjustments.
In the absence of these significant market fluctuations and one-time events, the actuarial obligations are extended based on the assumptions at the beginning of the year.

If there are material changes to the assumptions or arrangements during the initial period, consideration should be given to remeasuring those obligations and related costs.
Remeasurement gains or losses arising from changes in actuarial assumptions in the period during which they occur are included in the statement of other comprehensive income.
Changes in the present value of the defined benefit obligation resulting from program modifications or workforce reductions are recognized directly in the profit or loss statement as past service costs.
When the benefits program is modified, the portion of benefits related to employees' prior service is recognized as an expense or revenue.
Current and past service costs related to post-service benefits are immediately recognized in the income statement with the reversal of the liability according to the discount rates used and include transfer costs and any changes in the net liability that are directed to the actuarial evaluation process, and changes in assumptions are considered as remeasurements in other comprehensive income items.

B-3 Employee retirement pension liabilities

The company pays its contributions to the systems of the General Authority for Social Insurance on a mandatory basis in accordance with Social Insurance Law No. 79 of 1975 and its amendments, and the company does not have any other obligations once it pays its obligations. Regular contributions are recognized as a periodic cost in the year they are due and are included in the labor cost in the statement of profit or loss.

Expenses resulting from the specified subscription system are charged to the statement of profit or loss according to the accrual basis.

42-14 Employees profit share:

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders. And the Company did not realize liability for profit sharing to its employees for non- distributed profits.

42-15 Legal reserve

According to the companies' law and the Company's status, at least 5% of the net profit is retained to form legal reserve till it reaches 50% of the issued capital, transferring to the legal reserve stops when it reaches 50% of the issued capital. When the legal reserve declines below 50%, the Company starts retaining at least 5% of its net profit till it reaches 50% of the issued capital again. This reserve is not subject to distribution but may be used to increase capital or mitigate losses. Legal reserve is recognized in the financial year where the ordinary general assembly meeting been approved to decide the increase of the reserve.

42-16 Accounting for income tax

Income Taxes and deferred taxes

A provision is formed to meet possible tax liabilities and disputes from the management point of view in light of the received tax claims and after conducting the necessary studies in this regard.

- The company's independent profit or loss statement is periodically charged with an estimated tax burden for each fiscal period, which includes both the current tax value and the deferred tax, provided that the actual tax burden is established at the end of each fiscal year.

- Deferred tax assets and liabilities represent the expected tax effects of the temporary differences resulting from the difference in the value of assets and liabilities according to tax rules and between the book values of those assets and liabilities according to the accounting principles used in preparing the financial statements.

- The current tax is calculated on the basis of the tax base determined according to the laws, regulations and instructions in force in this regard and using the tax rates in force at the date of preparing the financial statements, while the deferred tax value is determined using the tax rates expected to be applied in the periods during which the obligation will be settled or the asset will be used based on the tax rates and tax laws in force at the date of the financial statements.

- The deferred tax is recorded as an expense or revenue in the income statement, except for those related to items that are directly recorded within the equity, so the related deferred tax is also dealt directly within the equity.

- In general, all deferred tax liabilities (resulting from taxable temporary differences in the future) are recognized, while deferred tax assets (resulting from taxable temporary differences) are not recognized unless there is a strong probability or other convincing evidence of achieving sufficient tax profits in the future.

42-17 Segment report

Operating segments are disclosed in a manner consistent with the internal reporting information provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Board of Directors.

42-18 Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

42-19 Statement of Cash Flows

The statement of cash flows is prepared using the indirect method.

42-20 Comparative figures:

The comparative figures in statement of financial position represent the balances of statement of financial position for the merging company on December 31, 2022 and that after applying the adjustments made by GAFI.

42-21 New versions and amendments made to the Egyptian Accounting Standards

On 03/6/2023, Prime Minister's Decision No. 883 of 2023 was issued amending the provisions of some Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. The management is currently studying the impact of these amendments on the financial statements, and the following are the most important amendments:

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
New Egyptian Accounting Standard No. (50) "Insurance contracts"	1- The new Egyptian Accounting Standard No. (50) "Insurance Contracts" replaces the corresponding topics in Egyptian Accounting Standard No. (37) "Insurance Contracts: Recognition, Measurement, and Disclosure." 2- The purpose of this standard is to make sure that the company presents proper information that fairly represents these contracts, and provides information to the users of the financial statements as the required basis to measure the impact of these insurance contracts on the financial position of the company, its financial performance, and cash flows.	Not apply	Standard No. (50) applies to financial periods beginning on July 1, 2024
Amended Egyptian Accounting Standard No. (10) "Fixed Assets"	-21.1.1 All establishments were allowed, upon the subsequent measurement of fixed assets, to use either the cost model option or the revaluation model option	Management decided to continue using the cost model	Amended Standard No. (10) applies to financial periods beginning on January 1, 2023.

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
	Based on this amendment, the following have been modified: 1- Egyptian Accounting Standard No. (1) "Presentation of Financial Statements: Adding Paragraph (A) to the definition of other comprehensive income in Paragraph No. (7) (A) Changes in the revaluation surplus / fair value see Egyptian Accounting Standard No. (10) "Fixed Assets" and Standard No. (23) "Intangible Assets" and Standard (34) Investment Property Amending Paragraph No. (96) to read as follows: (96) "Reclassification adjustments" do not arise from changes in the revaluation surplus recognized in accordance with Egyptian Accounting Standard No. (10) and Egyptian Accounting Standard No. (23) or remeasurement of the defined benefit system that was recognized in accordance with Egyptian Accounting Standard No. (38) These items are recognized in "Other Comprehensive Income" and are not reclassified to profits or losses (income statement) in subsequent periods, and the revaluation surplus can be transferred to retained earnings in subsequent periods or when disposed of according to accounting standard No. (47). Reclassification adjustments do not arise when cash flow hedges or accounting for the time value of an option contract (or the forward component of a forward contract) or basis points for foreign currency differences result in amounts being removed from the cash flow hedge		

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
	reserve or a separate component of equity, on the arrangement and adding these amounts directly to assets or liabilities. - 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" - Egyptian Accounting Standard No. (49) "Lease Contracts" - Egyptian Accounting Standard No. (31) "Impairment of Assets"		
Amended Egyptian Accounting Standard No. (23) "Intangible Assets"	All establishments were allowed, upon subsequent measurement of intangible assets, to use either the cost model option or the revaluation model option	Management decided to continue using the cost model	Amended Standard No. (23) applies to financial periods beginning on January 1, 2023.
Amended Egyptian Accounting Standard (49)"Lease Contracts"	**1.** Introducing some amendments to Standard No. (49) issued during 2019 as a result of amending and re-issuing Egyptian Accounting Standard No. (10) "Fixed Assets" amended in 2023 **2. Adding Paragraph No. (35) to Standard No. 49) as follows:** -If the right-of-use asset is related to a category of fixed assets in which the lessee applies the revaluation model contained in Egyptian Accounting Standard No. (10) "Fixed Assets", then the lessee can choose to apply the revaluation model to all right-of-	Management wants to continue using the cost model	The amendments to the amended Standard No. (49) shall be applied to the financial periods beginning on January 1, 2023, when applying the amended Standard No. (10)

New or amended standards	**Summary of the most important modifications**	**Potential impact on the financial statements**	**Application date**
	use assets related to that category of Fixed assets. 3. **Adding Paragraph No. (57) to Standard (49) as follows**: If the lessee measures the right-of-use assets at amounts revalued in accordance with standard (10), the lessee must disclose the information required by paragraph (77) of standard No. (10) on those right-of-use assets. 4. **Amending Paragraph No. (56) of Standard (49) to become:** -If the right-of-use assets meet the definition of investment property, the lessee must apply the disclosure requirements contained in Egyptian Standard No. (34) "Investment Property". In this case, the lessee is not required to provide the disclosures contained in Paragraph 53 (A), (F), (H, (J) of those "right-of-use" assets.		
Amended Egyptian Accounting Standard No. (34) "Investment Property"	All establishments were allowed, upon the subsequent measurement of their investment properties, to use either the option of the cost model or the option of the fair value model, while obligating investment properties funds only to use the fair value model upon the subsequent measurement of all their property assets. -With the recognition of the increase in the fair value upon the subsequent measurement of the investment property within the items of other comprehensive income instead of profits or losses and accumulating it within equity in an account called "investment property valuation surplus at fair value" (see paragraphs 35 and	Not apply	This amendment applies to financial periods beginning on or after January 1, 2019.

New or amended standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
	35a of the Egyptian Accounting Standard No. (34) **Based on this, the following have been amended:** -Egyptian Accounting Standard No. (32) "non-current assets held for sale and discontinued operations." -Egyptian Accounting Standard No. (31) "Impairment of Assets".		

MISR FERTILIZERS PRODUCTION COMPANY (MOPCO)
EGYPTIAN JOINT STOCK COMPANY
STATEMENT OF FINANCIAL POSITION AS AT

In Egyptian pound	Note No.	December 31, 2022 As previously issued	GAFI Ajustments	December 31, 2022 The merging company after the adjusting GAFI
Assets				
Non-current assets				
Fixed assets & projects under construction	(3)	1 174 057 956	-	1 174 057 956
Other assets & projects under construction	(4)	13 011 971	-	13 011 971
Right of use asset	(5)	30 138 017	-	30 138 017
Investments in subsidiaries	(6)	1 001 836 880	22 188 624 057	23 190 460 937
Loan to the subsidiary	(7)	2 142 052 655	-	2 142 052 655
Other financial assets	(11)	222 386 871	-	222 386 871
Total non-current assets		**4 583 484 350**	**22 188 624 057**	**26 772 108 407**
Current assets				
Inventory	(12)	370 820 463	(37 082 045)	333 738 418
Accounts receivable	(13)	483 505 865	-	483 505 865
Loan to the subsidiary	(10)	3 865 121 489	-	3 865 121 489
Debtors and other debit balances	(14)	63 111 984	-	63 111 984
Due from related parties	(15)	73 474 672	-	73 474 672
Suppliers (advance payments)		9 456 857	-	9 456 857
Cash at banks and on hand	(16)	4 384 347 061	-	4 384 347 061
Total current assets		**9 249 838 391**	**(37 082 045)**	**9 212 756 346**
Total assets		**13 833 322 741**	**22 151 542 012**	**35 984 864 753**
Equity				
Issued and paid-up capital	B -٢٢	2 291 172 320	-	2 291 172 320
Legal reserve		542 474 871	-	542 474 871
General reserve	C -٢٢	352 383 742	-	352 383 742
Result of the merging process	D -٢٢	-	18 500 667 790	18 500 667 790
Retained earnings		7 957 374 710	-	7 957 374 710
Total equity		**11 143 405 643**	**18 500 667 790**	**29 644 073 433**
Liabilities				
Non-current liabilities				
Lease liabilities	(18)	43 624 058	-	43 624 058
Deferred tax liabilities	(23)	1 137 973 002	-	1 137 973 002
Total non-current liabilities		**1 181 597 060**	**-**	**1 181 597 060**
Current liabilities				
Current income tax	(17)	978 257 525	-	978 257 525
Lease liabilities	(18)	5 708 337	-	5 708 337
Trade payables	(19)	312 258 009	-	312 258 009
Creditors and other credit balances	(20)	156 164 134	3 650 874 222	3 807 038 356
Advance payments from customers (contract liability)		7 026 093	-	7 026 093
Provisions	(21)	48 905 940	-	48 905 940
Total current liabilities		**1 508 320 038**	**3 650 874 222**	**5 159 194 260**
Total liabilities		**2 689 917 098**	**3 650 874 222**	**6 340 791 320**
Total ownership rights and liabilities		**13 833 322 741**	**22 151 542 012**	**35 984 864 753**